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AFG-1796

PLEASE NOTE THE DATE, TIME & LOCATION OF THE MEETING

Joint Public Hearing
between the
San Francisco Port Commission
and
San Francisco Bay Conservation & Development Commission

1:00 P.M., THURSDAY
JANUARY 6, 2000

SAN FRANCISCO STATE UNIVERSITY
DOWNTOWN CENTER
425 MARKET STREET, SECOND FLOOR
ROOMS 8 & 9 (ENTRANCE ON FREMONT STREET)
SAN FRANCISCO, CA

AGENDA

DOCUMENTS DEPT.

DEC 3 0 1999

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1. ROLL CALL

2. NEW BUSINESS / PUBLIC COMMENT

   Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

3. STATUS OF BCDC SAN FRANCISCO WATERFRONT PLANNING

   Joint Public Hearing with the San Francisco Bay Conservation and Development Commission (BCDC) on BCDC's Brief Descriptive Notice, to Initiate the Process to Amend BCDC Planning Documents Affecting the San Francisco Waterfront.

4. ADJOURNMENT

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SAN FRANCISCO
PORT COMMISSION

JANUARY 6, 2000 – 1 P.M.
MINUTES OF THE SPECIAL MEETING

DOCUMENTS DEPT.

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MEMBERS, PORT COMMISSION

HON. DENISE McCARTHY, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. MICHAEL HARDEMAN
HON. BRIAN McWILLIAMS
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

Joint Public Hearing
between the
San Francisco Port Commission
and
San Francisco Bay Conservation & Development Commission

MINUTES OF THE MEETING
1:00 P.M., JANUARY 6, 2000

San Francisco State University
Downtown Center
425 Market Street, Second Floor
Rooms 8 & 9, San Francisco, CA

(TRANSCRIBED BY A COURT REPORTER)

1. ROLL CALL

The meeting was called to order by Commission President Denise McCarthy at 1:20 p.m. Commissioners McCarthy, Brandon and McWilliams were present. Commissioners Hardeman and Lee were not present.

The meeting was called to order by BCDC Chairman Robert Tufts. Present for BCDC were: Chairman Robert R. Tufts, Vice-Chairman Siracusa, Bierman, Bruzzone, Cale (represented by Alternate Smith), Corbin (represented by Alternate Dean), Fong, Gioia, Gordon, Thayer (represented by Alternate Valentine), Klass Kondylis, Leal, McHugh (represented by Alternate Carruthers), Levine, Morrison, Rippey, Rose, Sweeney (represented by Alternate Baird), and Wall. Not Present were: Campbell, Chan, Cutler, and Schwinn.

2. STATUS OF BCDC SAN FRANCISCO WATERFRONT PLANNING

Chairman Tufts commented that on December 16, 1999 the entirety of the meeting was spent on hearing from staff and the public, and then on discussing plans for the San Francisco waterfront. There was considerable local public concern about some elements of the framework agreement presented. Nevertheless, it was decided to move ahead with the process of amending the adopted plans for the waterfront because the Commissions did not want to throw away all the time that has been invested in developing the San Francisco Waterfront Land Use Plan nor abandon the goal of having one set of policies that has the mutual support of BCDC, the Port, the State Lands Commission, the Attorney General's Office, and the Save San Francisco Bay Association.

Chairman Tufts believed that this goal could still be achieved. But to do so, special efforts will have to be made to hear and understand the concerns of the citizens of San Francisco and all other interested parties. Therefore, after the last meeting, Port

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Commission President Denise McCarthy and Chairman Tufts met with members of their staff and Save The Bay, to develop a process for working out the final details of a plan for the San Francisco waterfront that will meet the mandates of state law in a manner that best accommodates the desires of the local community and regional interests.

It was agreed that Port staff would immediately begin a survey of the historic value of San Francisco's piers. Also, advantage will be taken of an offer from the San Francisco Planning and Urban Research Association to host a workshop to develop the final design parameters for a major public plaza at Pier 27.

Of greatest importance is that it was decided to establish a joint committee made up of members of the two Commissions to hold public hearings and public meetings and to craft the details of amendments to the plans for the waterfront that can be presented to both Commissions this spring. Chairman Tufts felt that this committee should make a special effort to reach out to the San Francisco Planning Commission to ensure that the plans for the waterfront are fully integrated with the planning for the rest of San Francisco.

If the Commission agrees and approves this approach, Chairman Tufts stated he intends to appoint the following Commissioners to represent BCDC on this special joint committee: Sue Bierman, Arthur Bruzzone, Rosemary Corbin, Betsey Cutler, Susan Leal, Michael Valentine and Dick Wall. Chairman Tufts said he would serve on the committee in an ex-officio capacity. He recommended that Susan Leal chair BCDC's representatives on the committee and that Arthur Bruzzone serve as co-chair.

Chairman Tufts further proposed that the committee hold at least four public meetings. The first meeting, which Chairman Tufts suggested be held in the next few weeks, should provide an opportunity for staffs from the Port and BCDC to brief the committee on the planning work that has been done and the reasons for the recommendations in the proposed framework agreement. At the second meeting, which could take place next month, the committee can receive the results of the Port's historic resources survey. The third meeting, which would probably be in March, should focus on the results of SPUR'S design workshop. And at the fourth meeting in April, the committee should decide on the specific changes that need to be made in the currently adopted waterfront plans to incorporate the elements of the framework agreement, the historic survey, the design workshop, and the input the committee received from the public. The recommendations of the joint committee should then be submitted to the respective Commissions as proposed changes to each agency's plans.

The subject of today's public hearing is whether to support this approach and issue the notice to formally begin the consideration of the plan amendments. Today's hearing is not on the framework agreement which was considered at the last meeting. And pursuant to the direction provided by the Commission at the last meeting, today's hearing is not on any specific policies or on any specific development proposal. It is simply on whether to continue moving forward with the process of reaching agreement on a plan for the waterfront. Chairman Tufts urged everyone to keep that in mind. All that will be done today is calling to play ball. There will be no hitting, no pitching, no

fielding, no catching. All the substance of this will come up later during the committee meetings.

Because today's hearing and BCDC's vote is limited to a procedural decision, each speaker on this item will be limited to a maximum of two minutes, and purely on the process on whether the Commission should go ahead with this procedure, not on substance. To ensure that the rest of the items on the agenda today will be dealt with, Chairman Tufts asked speakers on this item to be brief, to limit the comments to whether or not the notice should be issues, and not to repeat anything that has already been said.

Port Commission President Denise McCarthy stated that she was in full support of creating this joint BCDC/Port Commission committee and the proposed committee meetings schedule, and with reports to resolve the policy issues. President McCarthy indicated that in addition to herself, she has selected Commissioner Kimberly Brandon plus one additional Commissioner, yet to be named, to participate on this joint committee. In light of the important policy issues addressed in the many public comments received at the last joint hearing, President McCarthy believed it is critical for both Commissions to participate directly at this juncture. Having invested over four years of time with the Advisory Board to develop the Waterfront Land Use Plan, Chairman Tufts and President McCarthy understand that fundamental to resolving the conflicts between BCDC and the Port Plans is a public process that all stakeholders can participate in. This was the only way the Port was able to build consensus to adopt the Waterfront Plan. She further reiterated that the meeting today concerns the determination whether to continue down this road and with this process as outlined and to limit the time to two minutes.

Ann Halsted, speaking on behalf of the Citizens Advisory Committee for the North-East Waterfront, stated she was pleased with the process and encouraged the Commissions to move ahead with this change and asked to be part of the process. She asked to be sure that this approach is included in the discussions and in the workshop with possibly some representation by citizen advisory committees.

President McCarthy indicated that all the committee meetings will be open to the public and suggested that people with concerns be informed about the committee meetings.

Eva Liebermann stated she would appreciate having a chance to be heard at the committee meetings.

Toby Levine stated that the citizens advisory group was very happy about this proposal. In particular with the consensus-building concept and the need for conflict resolution, which is one of the magical things that occurred over the four-year period going over the Waterfront Plan.

Dave Osgood, representing the Rincon Center Tenants Association, stated that the Commissions have not been particularly responsive to input from local residents and hoped that this new proposal might allow for more time to consider what his group and others have to say. The Design Review Committee seemed totally unresponsive to

concerns about Rincon Park. He hoped that in the future these concerns will be considered.

Teresa Rea, representing SPUR, and a land planner by profession, stated that SPUR is very interested in assisting with closure on this long discussed topic. In particular, Ms. Rea has been designated as being able to help out as a facilitator for which she has the credentials and willingness to do so. She outlined how she would conduct a workshop in this regard.

Isabel Wade, Executive Director of the Neighborhood Parks Council in San Francisco, a coalition of 68 neighborhood park groups, spoke in support of the process as well as to the need for recreation and park facilities and improvements along the entire eastern corridor.

The City Planning Department has identified that the eastern corridor is deficient in recreation and park facilities. Working with the public is definitely the direction to go, but only if Commissioners are required to attend the workshop. Otherwise the public won't be heard nor will the information and ideas put forth by the public, working on these issues, be heard. She urged the Commissioners to attend the workshops and if not, to design a process in which groups knowledgeable about certain aspects, will be able to present their information in more detail.

Chairman Tufts pointed out that these meetings are not closed to Commissioners and urged as many Commissioners as possible attend the meetings in order to enhance their position, their knowledge and help out the Commission significantly.

Commissioner Bruzzone stated that extensive public testimony has been taken for more than four years. An agreement has been reached with Save The Bay, the Port and BCDC. Now that a project like this appears, the whole process is reopened. Commissioner Bruzzone asked for a clarification of this reopening process and what the parameters are.

Commissioner Kondylis requested that the Commissioners receive minutes from the committee meetings.

Vice Chair Siracusa agreed with Commissioner Bruzzone's point and inquired if the Commission is aware of what the reopening process will be or if this is something the committee should deal with.

Chairman Tufts suggested that the committee establish its own framework, but stressed that the product that the Waterfront Plan came up with was done without any concern or regard for BCDC compliance, without any regard for restrictions set by other laws. The Commission is now in a position where this plan can be molded into BCDC's requirements, which is what is really being opened up for public comment. Some of the changes being made by BCDC as a result of trying to conform the Plan to BCDC's regulations while very helpful, do involve some significant changes. The public has to be involved in the process and be allowed to give its input.

President McCarthy added that her understanding was that the great bulk of this agreement has been resolved. There are some areas where there is disagreement and those are the areas where public hearings will be focused on.

Chairman Tufts further indicated that BCDC regulations require a great many restrictions on each of the piers. As a result of this process and as a result of trying to comply with this, the Commission is substantially removing a great many of them in favor of looking at this as a total package deal with three principal public areas. The committee should focus on that, should be well aware of what is going on and what the proposals are and be open to public comment. It should consider what the public has to say about whether it is rational and take into consideration all the different concerns and approaches the public may have and then come up with changes the committee feels are necessary to make this more feasible and in the best interest of the public. The process should be one of public acceptance and public input. Not everybody is going to be satisfied all the time, but the process should be to make sure that the Commission is mindful of and has given full consideration of public input.

Commissioner Bruzzone stated that the process is to try and get compliance for the Waterfront Plan to BCDC regulations. He inquired if there is agreement that the Waterfront Plan, where it does not impact those areas under controversy, is a given as settled because it was passed by the Port and passed through City government in San Francisco.

Chairman Tufts stated that would be correct, but that it is up to the committee to determine whether or not the changes proposed by BCDC in compliance with the law, have an effect on those specific areas or not. There may be a ripple effect on some of the areas and the committee should determine that with the help of public input.

Charles Chase, Executive Director for San Francisco Architectural Heritage, encouraged the Commissions to proceed with the process as outlined as it would be the basis for sound decision-making for San Francisco's waterfront, especially as it deals with the historic resources for the City.

Bobby Guillory, ILWU Local 10, thanked the Commissions for proposing these meetings as it is important for the public to have an adequate voice in the proposed changes.

Dwight Steele spoke as an individual and urged the Commissions to think carefully about voting today to start a formal process which will set some deadlines and may raise expectations of what will happen before an agreement has been reached for some amendments to the plan. He cautioned that the public is concerned about some of the tentative agreements reached. He urged that the process should be the same as was gone through in the past for special area plans and for the Commission to take the time to directly involve representatives of the public in not just workshops or public hearings, but in addressing the significant issues such as the legality of BCDC's ceding jurisdiction.

Jane Morrison, President of San Francisco Tomorrow, agreed with the Commission's decision to establish a committee that would involve public consideration. This is a Citywide issue and soliciting public opinion is very important. Ms. Morrison thought that the Port and BCDC should agree on open space before the Port solicits developers to avoid complications concerning the best place for the open space. The Port should fulfil its public trust obligations for maritime and public access.

Nan Roth, Telegraph Hill resident and member of Fisherman's Wharf CAC and the Waterfront Plan advisory Board, commented on the workshop process and stated she was very uncomfortable about SPUR's proposal to act as a facilitator for setting up and leading the workshops, as well as selecting the participants. Ms. Roth stated that SPUR has consistently positioned itself behind maximum, feasible development of the waterfront with minimum constraints. SPUR also wrote a strongly worded letter in opposition to the proposed historic preservation policies. SPUR has also fully supported the Port's position as opposed to that of BCDC. She urged both Commissions to appoint an unquestionably neutral party to facilitate this process. Ms. Roth also expressed deep concern about the descriptive notice process being launched while the Port and BCDC have serious issues dividing them. After detailing some of the concerns, Ms. Roth concluded that this process should begin with delineating the maximum potential for public benefit and then develop a program for realizing those benefits predicated on minimal commercial development and disruption of historic resources. This is a unique and wonderful opportunity to put the public's needs over those of the private sector which is what the McAteer-Petris Act mandates.

Michael Wilmar, Chair of SPUR's advisory council, stated that SPUR is prepared to participate in the process. He emphasized that the process must continue, that the descriptive summary be approved, so that the negotiations, discussions and resolutions of these long delayed controversies not be delayed any further.

Ellen Johnck, Executive Director of the Bay Planning Coalition, representing the Bay, Delta and Maritime industries, property owners and local governments, expressed support for the process. She stressed that there should be a commitment to a timely schedule for the enumerated hearings, setting out the framework and scope of the discussions, because this is an extremely critical matter. She urged the Commission to keep moving with this process.

Aaron Peskin, President of the Telegraph Hill Dwellers, endorsed the process. He pointed out that it is important that the process be distinct from any specific development and that these areas that remain to be resolved, be resolved without addressing any specific development. He also endorsed the myriad of unresolved issues regarding open space currently contemplated, which is the minimum amount required, and also in regard to the historic preservation. The designation of a waterfront historic district should definitely be contemplated by both Commissions.

Jeffrey Leibovitz, member of the Bryant Street Advisory Committee and Rincon-South Beach CAC, stated that there is a very important issue at this time facing the citizens of San Francisco. Letters have been written to the newspapers from community leaders addressing the planning process of San Francisco. BCDC is now being asked to

relinquish its responsibility for development and oversight of San Francisco's waterfront to the Planning Department and the Port of San Francisco. The citizens of this City are losing confidence in the Planning Department. He urged the Commission to seriously consider not abdicating its responsibilities until this controversy is settled and confidence by the citizens in the planning process is restored. At present, the public is being left out of San Francisco's planning process.

ACTION: Vice Chairman Siracusa moved, seconded by Commissioner Carruthers, to close the public hearing. The motion carried.

Joe LaClair referred to the staff recommendation in the package dated December 23, 1999, copies of three newspaper articles, a letter from the Executive Director responding to one of the articles and four letter of public comment all regarding this planning project. Eight e-mail messages were also received expressing support for recreational facilities at Piers 27 and 31.

At the last meeting the Commission directed staff to continue to move ahead with the process of amending the adopted plan for the San Francisco Waterfront. Mr. LaClair then presented staff's recommendation that the Commission adopt a brief descriptive notice to initiate the process of considering possible changes to the San Francisco Bay Plan, the San Francisco Waterfront Special Area Plan and the San Francisco Waterfront Total Design Plan.

The purpose of the descriptive notice is to inform the Commission and the public, in general terms, of the scope of the amendments being proposed. Staff also recommends that the Commission schedule a public hearing for May 1, 2000, to consider the plan changes on May 4, 2000, and to consider the plan changes to be summarized in a BCDC staff report. Staff also recommended, as outlined in Chairman Tufts' report, that the Commission authorize Chairman Tufts to appoint representatives of the Commission to serve on a committee with Commissioners from the Port of San Francisco, to conduct workshops and to guide and inform staff's development of proposed amendments to the Bay Plan, the Special Area Plan and the Total Design Plan and the Port of San Francisco's Waterfront Land Use Plan.

It is still staff's belief that the framework agreement that the staffs of BCDC and the Port of San Francisco and Save San Francisco Bay Association developed, represents a viable approach to resolving the long-standing dispute regarding the nature of BCDC's jurisdiction over the development on San Francisco's piers. However, it is clear from the public testimony and Commissioners' comments at the last meeting, that considerable work is needed to refine the elements of the agreement. Staff is prepared and eager to support the work of the Committee with public input and in partnership with Port's staff and Save San Francisco Bay Association. With the assistance and collective wisdom of the committee and the public, staff will be able to prepare recommended changes to the waterfront plans that are consistent with the McAteer-Petris Act, and that would facilitate creation of a vibrant and exciting waterfront that San Franciscans and visitors to the Bay area would enjoy.

Commissioner Levine referred to the comments made about the Commission abdicating its role and inquired if his understanding was correct that this issue would come back before the full Commission sometime in May for a vote. Joe LaClair responded that this would be so and there would also be opportunities for staff to report back to the Commission during the committee process and get updates from the Commission if need be.

Chairman Tufts expressed the expectation that the committee and staff would brief the Commission on an on-going basis. He further suggested that Commissioner Levine as well as other Commissioners attend some of the committee meetings in order to keep up with the process. BCDC has a fairly big workload and to try and sit through the full scale of public comment and input during its regular process would be overwhelming. One of the best ways to do this is to have other meetings where full time is devoted to getting the full public comment in, which is one of the reasons why the committee makes a lot of sense. The Commission is not abdicating, as was suggested, but rather opening the process up further and more efficiently to get public hearing into this process. Full public comment is effectuated and enhanced by means of the committee rather than being limited or restricted.

Commissioner Carruthers expressed confidence in the process, but had some question as to the ability of finalizing the process by May of 2000 and if the Commission would have the flexibility of rescheduling.

Chairman Tufts expressed the opinion that the committee should take as much time as possible to do its work properly, no matter how many meetings it would take.

Responding to Commissioner Carruthers, Mr. Travis explained that once this process gets to a public hearing and vote, the Commission will have the option to do most anything it wants. The Commission can either adopt it, change it, refer it back to the committee, set up new committees, or have further public hearings.

Commissioner Leal thought it was important to have some target date for the four meetings and workshops. This would allow getting at least a question framed for the Commission to discuss on May 4th, 2000.

Vice Chairman Siracusa referred to the Attorney General's comments that the likelihood of this Special Area Plan being so unique and so significant that a finding will have to be made that the health, safety and welfare of the entire Bay Area will be improved. This would be a significant burden of proof and wondered if this judgment will be made by the Commission before the plan is submitted or afterwards.

Will Travis responded that the issue is if the plan brought forth to the Commission, such that the benefits to the Bay would be so significant that BCDC could find that it was in the health, safety and welfare of the entire Bay region to adopt the plan. It is not that the Commission has to find that, but does the plan have the elements in there that will allow a finding like that. The way to ensure that the Attorney General's office will be involved is that Mr. Eagan is personally going to participate in all the hearings and workshops. The AG's office will be engaged as well as Joel Jacobs.

Joel Jacobs summarized that it is a determination for the Commission to make as part of a legal basis for justifying a vote in favor of the proposed plan, as an alternative to some of the other standards that more commonly come up in the context of such votes. It is essentially a policy decision that is left to the Commission, ultimately, to evaluate. The Attorney General's office will be available for advice on this matter.

Vice Chairman Siracusa stated he was confused about the language in the minutes which read *the project has to be necessary for the health, safety and welfare of the public of the entire Bay Area,* which seems to go beyond a finding that the Commission can make.

Will Travis stated that what Mr. Eagan was quoting was the precise language that is in the McAteer-Petris Act, that allows the Commission to approve an individual project. The notion put forth here by the Attorney General's office is that authority can be lifted and the Commission can look at a plan element and accept a plan that achieves the mission of BCDC in a fashion somewhat different than the way it would be achieved in reviewing it on a project-by-project basis. It is the principle of law that would be used rather than the exact language of the law.

Vice Chairman Siracusa indicated he would still like to have further clarification on this subject.

Chairman Tufts suggested to give the committee a mandate to make absolutely sure that whatever they come up with and recommend will be within the parameters and legality of the McAteer-Petris Act.

Responding to a further question by Vice Chair Siracusa, Chairman Tufts stated that the Port of San Francisco took four to five years to come up with its plan and vision which is the product now under consideration. BCDC is now trying to mold it within the regulations.

Commissioner Bierman reminded the Commissions that after years and years of studying this issue, the project is in good hands. If the controversies are not solved by May, the Commission will not vote on it and this is a good way to proceed.

Commissioner Gioia noted that for those Commissioners who do not serve on this committee, good information should be provided such as dates for the public hearings should be published early in order to give everyone a chance to plan ahead to attend. There should also be a transcript of all the committee hearings and public comments made available to the Commissions as these hearings occur and not when the Commissioners receive their packets for that final hearing in May. All documents relevant to these meetings should also be provided. This would allow for reviews and follow-up by the full Commission.

Chairman Tufts directed staff to do so and added to make sure that meetings are set up long enough ahead of time to enable both the Commissions as well as the public to know about these dates. Good transcripts or meeting minutes should be readable and made available. There should also be oral briefings by staff.

Responding to Commissioner Gioia's inquiry into the geographic make-up of the committee members, Chairman Tufts indicated that Sue Bierman, Arthur Bruzzone, Dick Wall and Susan Leal are from San Francisco, Betsey Cutler is from Marin County, Rosemary Corbin is from Richmond, and Michael Valentine is representing the State Lands Commission.

Commissioner Kondylis pointed out that it must be perfectly clear that if a general consensus does not come out of these committee meetings, none of the proposals will go any place.

Paul Osmundson, Director of Planning and Development for the Port of San Francisco noted that the Port is prepared to work non-stop on finishing this plan in the time frame allotted and the Port is committed to respect the view of all the stakeholders. He pointed out one of the important aspects of the Waterfront Plan in all those lengthy meetings, which is that the balancing and the consensus talked about did start with the core mission of preservation of maritime and open space lands. The introduction of the commercial development in the waterfront planning process was a necessity because of the Port's constitution and make-up. Mr. Osmundson suggested for the Port to come to the Commission in April with a status report.

Chairman Tufts suggested not to wait until April, but to come back to the Commission before that time.

ACTION: Vice Chairman Siracusa moved, seconded by Commissioner Kondylis to adopt staff recommendation. The motion carried by a show of hands 20-0-0.

ACTION: Port Commissioner McWilliams moved to adjourn the special meeting. The motion carried.

The meeting was adjourned at 2:30 p.m.

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SAN FRANCISCO PORT COMMISSION

SPECIAL MEETING
4:00 P.M., THURSDAY, JANUARY 6, 2000
Suite 3100, Ferry Building, S.F. CA 94111

AGENDA

1. **ROLL CALL**

2. **FACILITIES & OPERATIONS**

   A. Authorization to issue Contract Modification No. 1 to Contract 2660, "Construction of China Basin Ferry Terminal." (Resolution No. 2000-01)

3. **NEW BUSINESS / PUBLIC COMMENT**

   Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

4. **EXECUTIVE SESSION**

   A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

   B. CLOSED SESSION

      (1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. *This session is closed to any non-City/Port representative.**

         a. Property: Pier 30/32 and SWL 330
         Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
         *San Francisco Cruise Terminal LLC
         *LCOR San Francisco LLC

         Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
         An executive session has been calendared to discuss the responses to the RFP for the Bryant Street Pier Project.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTERS:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (two cases).
____ As Defendant __X__ As Plaintiff

5. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

6. ADJOURNMENT

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

January 6, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to execute Contract Modification No. 1 to Contract No. 2660, "Construction of the China Basin Ferry Terminal"

DIRECTOR'S RECOMMENDATION: AUTHORIZE PORT STAFF TO EXECUTE CONTRACT MODIFICATION NO. 1 TO CONTRACT No. 2660, "CONSTRUCTION OF THE CHINA BASIN FERRY TERMINAL," AND AUTHORIZE AN ADDITIONAL 10% CONTINGENCY FOR POSSIBLE OTHER CONTRACT MODIFICATIONS

In April 1999 the Commission authorized Port Staff to advertise for competitive bids for construction of a passenger vessel landing at China Basin. The main project elements included a new two-berth passenger terminal with accessible gangways, floating platforms, entry gates, signage, and utilities. The project design was funded through an allocation of tax-increment funds by the San Francisco Redevelopment Agency. Construction of the project was to be funded from a $2,000,000 grant from the Federal Transit Administration.

On September 23, 1999, the Port received three bids for the construction of the project. At the October 12, 1999 meeting, the Commission authorized the award of the construction contract (No. 2660) to Vortex Diving, Inc. at a cost of $1,809,520, plus a 10% contingency for a total authorized amount of $1,990,472. Due to budget constraints, the contract award included only the contract base bid, that is, a single-berth passenger terminal with accessible gangway, floating platform, entry gates, signage, and utilities. The cost of construction of a second berth was included as an alternate bid item for a total project cost, including a 10% contingency, of $3,048,474, which was beyond the available budget.

This Print Covers Calendar Item No. 2A

In order for the new ferry terminal to serve the maximum number of vessels and to avoid the added cost of re-mobilizing for a second stage of construction, Port staff believe that is necessary to construct the terminal as a two-berth facility. Each berth serves a specific range of vessel freeboard heights and therefore the concurrent availability of both berths will enable maximum use of the facility. In addition, two berths will better ensure that the facility will operate efficiently during periods of peak demand such as ballgame or event service to Pacific Bell Park and during the morning and evening peak commute hours. In addition to the ballpark, this facility will directly benefit the residents and businesses in the South Beach, South of Market and Mission Bay neighborhoods as an alternative mode of transit for commuters. The Port has approached the Redevelopment Agency with a request to provide the funds needed to construct the second berth. However, due to the urgency of the need to complete construction, the Port has identified other Port capital funds that can be used to certify the contract modification. If the Redevelopment Agency approves the funding of the project with tax-increment funds, the Port will be reimbursed for this portion of the project.

The additional funds will be used to fund Alternate Bid Item No. 1 which includes an components necessary for the second ferry berth: an additional float, guide piles, mooring dolphins, an additional gangway, and electrical and lighting elements for the additional float and gangway, for a total additional cost of $961,820. The contractor has agreed to perform this additional work at the price stated in its original bid.

Staff recommends that the Commission authorize the execution of Contract Modification No. 1 at a cost of $961,820 for the construction of the additional work and authorize an additional 10% for contingencies for a total additional cost of $1,058,002.

The total contract award including the contract modification is as follows:

Contract Base Bid awarded:	$1,990,472
Contract Modification No. 1	961,820
Additional contingency	96,182
Total Amount authorized	$3,048,474

Prepared by: Cliff Jarrard, Chief Harbor Engineer

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 2000-01

WHEREAS, at its October 12, 1999 meeting, the Commission authorized the award of Contract No. 2660, "Construction of the China Basin Ferry Terminal" to Vortex Diving, Inc. at a cost of $1,809,520, and authorized a 10% contingency for a total contract award of $1,990,472; and

WHEREAS, this award was for the contract base bid which included a single-berth passenger terminal with accessible gangway, floating platform, entry gates, signage, and utilities; and

WHEREAS, the Port contract included a second berth as an alternate bid item but the contractor's bid was such that there were insufficient funds available at the time of award to include this alternate bid item; and

WHEREAS, Port Staff has recently identified other funds that for the construction of the second ferry berth; and

WHEREAS, Port staff believes that it is necessary to complete the project as a two-berth facility in order for the new ferry terminal to serve the maximum number of vessels and to avoid the added cost of re-mobilizing for a second stage of construction; and

WHEREAS, the contractor has agreed to construct the components necessary for the second ferry berth as Alternative Bid Item No. 1, at the price bid; now therefore be it

RESOLVED, that the San Francisco Port Commission authorizes the execution of Contract Modification No. 1 to Contract No. 2660, "Construction of the China Basin Ferry Terminal," to Vortex Diving, Inc. at a cost of $961,820,000, and a 10% contingency for a total additional amount of $1,058,002.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its special meeting of January 6, 2000.

_____
Secretary

SAN FRANCISCO PORT COMMISSION

JANUARY 6, 2000 – 4 P.M.
MINUTES OF THE SPECIAL MEETING

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MEMBERS, PORT COMMISSION

HON. DENISE McCARTHY, PRESIDENT
HON. KIMBERLY BRANDON, VICE PRESIDENT
HON. MICHAEL HARDEMAN
HON. BRIAN McWILLIAMS
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
4:00 P.M., THURSDAY, JANUARY 6, 2000

1. ROLL CALL

The meeting was called to order by Commission President Denise McCarthy at 4:00 p.m. The following Commissioners were present: Denise McCarthy, Kimberly Brandon, Michael Hardeman, Brian McWilliams and Pius Lee.

2. FACILITIES & OPERATIONS

A. Authorization to issue Contract Modification No. 1 to Contract 2660, "Construction of China Basin Ferry Terminal." (Resolution No. 2000-01)

Mr. Alex Lee, Director of Facilities & Operations, requested the Commission's approval to issue Contract Modification No. 1 for Contract No. 2660. In April 1999, the Commission authorized staff to advertise for competitive bids for construction of a passenger vessel landing at China Basin. The main project elements included a new two-berth passenger terminal with accessible gangways, floating platforms, entry gates, signage, and utilities. On September 23, 1999, the Port received three bids for the construction of the project. At the October 12, 1999 meeting, the Commission authorized the award of the construction contract (No. 2660) to Vortex Diving, Inc. at a cost of $1,809,520, plus a 10% contingency for a total authorized amount of $1,990,472. Due to budget constraints, the contract award included only the contract base bid, that is, a single-berth passenger terminal with accessible gangway, floating platform, entry gates, signage, and utilities. The cost of construction of a second berth was included as an alternate bid item. This facility will directly benefit the residents and businesses in the South Beach, South of Market and Mission Bay neighborhoods as an alternative mode of transit for commuters. The Port has approached the Redevelopment Agency with a request to provide the funds needed to construct the second berth. However, due to the urgency of the need to complete construction, the Port has identified other Port capital funds that can be used to certify the contract modification. If the Redevelopment Agency approves the funding of the project with tax-increment funds, the Port will be reimbursed for this portion of the project.

The additional funds will be used to fund Alternate Bid Item No. 1 which includes an components necessary for the second ferry berth: an additional float, guide piles, mooring dolphins, an additional gangway, and electrical and lighting elements for the additional float and gangway, for a total additional cost of $961,820. The contractor has agreed to perform this additional work at the price stated in its original bid.

He requested Commission's authorization to execute Contract Modification No. 1 at a cost of $961,820 for the construction of the additional work and authorize an additional 10% for contingencies for a total additional cost of $1,058,002. The total contract award including the contract modification is $3,048,474.

Corinne Woods strongly urged the Commission to front the money for the second berth. Ernestine Weiss seconded Corinne Woods' comments.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor. Resolution No. 2000-01 was adopted.

3. NEW BUSINESS / PUBLIC COMMENT

Commissioner Denise McCarthy indicated that at this afternoon's joint Port and BCDC hearing, a committee was established comprising of Denise McCarthy, Kimberly Brandon and Michael Hardeman to work with BCDC representatives to resolve issues concerning the Special Area Plan.

Ron Frazier, Global Garden Projects, read the enclosed letter to the Port Commission.

4. EXECUTIVE SESSION

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

At 4:11 p.m., the Commission withdrew to executive session to discuss the following:

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*San Francisco Cruise Terminal LLC
*LCOR San Francisco LLC

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTERS:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (two cases).
____ As Defendant _X_ As Plaintiff

5. RECONVENE IN OPEN SESSION

At 6:13 p.m., the Commission returned from executive session and convened in open session.

ACTION: Commissioner Brandon moved approval to not disclose any information discussed in the executive session. Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 6:13 p.m.

GLOBAL GARDEN PROJECTS,™ INC.

P.O. Box 22161 • San Francisco, CA 94122 • (415) 665-4437 • FAX (415) 824-0604 • E-mail: globalgarden@mindspring.com

Concerned Citizens

Directors:

Ronald Frazier, Founder
Executive Director
Projects Coordinator
Events & Media Producer

Alberta "Doodie"Meyer
President - International
Education Director
Former President of
Nat'l Assoc. of College
Admissions Counselors

Dr. Earl M. Ettienne, Ph.D.
Environmental and Health
Sciences Director
Immunology Specialist

Walter C. Scott
Governmental and Business
Relations Director
Former Special Assistant to
the Director, U.S. Dept. HUD

International Spokespersons:

Prince Alfred von Liechtenstein
President - Vienna Academy for
the Study of the Future (VA).
WETV Foundation, The New
Foundation - Liechtenstein

Ewai Chan
Special Education Advisor
Multi-Cultural and
International-Relations

Special Advisors:

Harold "Hal" Lipset
Former Chief Private Sector
Investigator-Senate Hearings

Franklin Key
Media Graphics and
Language Translation Advisor
KeyVisions Div. of GGP,Inc.

Betty Rider-Gordon, M.A.,M.S.
Health Care/Insurance
Education Specialest

Project Advisors:

Larry Gallagher, Toxic
Substances Inspector and
Former Hamilton Air Force
Base HAAF Facility Manager

Vic Canby,
Former U.S.
Environmental Clearance
Officer and U.S. Foreign
Services Officer

Saul Bloom
Arms Control
Research Center

Lenny Siegel
Pacific Studies Center

Cathy Hinds
Military Toxics Project

* * *

San Francisco Port Commission
San Francisco, California

January 6, 2000

RE: Concerned Citizens request concerning the Development of Pier 30-32 and Sea Wall Lot 330.
It is herein requested that the below statements be entered into the record concerning the above.

I would like to bring to your attention a matter of great importance in the area of environmental health:

The development of Piers 30 and 32 for commercial usage presents the possibility for the disturbance of historically contaminated layered and compacted sediments specifically in the north side area of Piers 28-30. The area historically was used as a dry dock ship maintenance operation, where we understand minimal if any dredging has taken place.

We are concerned that any deep dredging of this site (Piers 28-30) will disturb the impacted layers of contaminated sediments containing petroleum hydrocarbons and their chemical byproducts along with other hazardous toxic substances. Our concerns are magnified by the U.S. EPA's recent report finding that the San Francisco Bay waters and life forms are contaminated with Dioxin and Dioxin like chemicals. Any disturbance of this site potentially would further contaminate the bay waters and it's life forms, with the potential for air born release of these hazardous toxic substances to the community.

We note that in the U.S. EPA's Dioxin Reassessment Report (a work in progress), the report states that individuals in the United States carry a body burden of Dioxin and Dioxin like chemicals in their fatty tissue including that of mother's breast milk, what is most distressing of all is the trans-generational-transfer to offspring. Dioxin is the byproduct of the Agent Orange chemical compound that has left its generational imprint on the newly born children in Vietnam. Dioxin has contributed to the death and hospitalizations of American veterans and their children. Dioxin and Dioxin like toxic chemicals contaminate the San Francisco Bay and through forms of airborne contaminated particulate contaminate the residents associated to the release areas or in wind pathways.

Personally as a native San Franciscan I believe that this Pier development project has an opportunity to be a model for future San Francisco Bay development projects. As so.we propose that a concerned citizen's awareness group be formed working closely with the San Francisco Port Commission and the site developers for the purpose of following the progress and impacts of this site specific project including the taking of air, water and soil/sediment samples for testing and test result reporting to the community. These samples and tests should be made independently. These results would be reported to concerned citizens and organizations and additionally reported on the world wide web. As concerned citizens we are currently working with entertainment personalities on a globally hyperlinked website titled "DETOX 200" which will contain reports from similarly contaminated sites and include entertainment performances to assist in attracting people to our information website. DETOX 2000.COM will be available throughout the Internet in the spring of 2000.

We feel given the extreme circumstances where Marin County and San Francisco's Hunters Point community reportedly have the highest rates of breast cancer on the globe and that Marin County has the highest rates nationally of prostate cancer that there is no wriggle room for sidetracking or underrating the potential hazards related to these toxic chemicals and their impact on human health

We expect that there are other areas of environmental health concerns that may relate to this project. Hopefully any remaining issues will be less impacting than the issue of Dioxin related illness causation factors and it's body burden on the human population

Thank you sincerely for your consideration of this matter.

Concerned Citizen, Ron Frazier

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PORT COMMISSION

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SPECIAL MEETING
3:30 P.M., TUESDAY, JANUARY 11, 2000
Suite 3100, Ferry Building, S.F. CA 94111

AGENDA

1. **ROLL CALL**

2. **NEW BUSINESS / PUBLIC COMMENT**
Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

3. **EXECUTIVE SESSION**

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*San Francisco Cruise Terminal LLC
*LCOR San Francisco LLC

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss the responses to the RFP for the Bryant Street Pier Project.

4. **RECONVENE IN OPEN SESSION**
A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.
B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

5. **ADJOURNMENT**

SAN FRANCISCO
PORT COMMISSION

REGULAR MEETING
4:00 P.M., TUESDAY, JANUARY 11, 2000
Suite 3100, Ferry Building, S.F. CA 94111

AGENDA

1. ROLL CALL

2. APPROVAL OF MINUTES - December 16, 1999 Special Meeting

3. EXECUTIVE

A. Election of Officers

B. Executive Director's Report

1) Report on State Legislative Activities

4. CONSENT CALENDAR

A. Approval of Rent Credits for Repairs and Maintenance Otherwise the Obligation of Port, Undertaken by West Coast Recycling Company, Inc. at Pier 94-96 Pursuant to Lease No. L-12540. (Resolution No. 00-04)

5. MARITIME

6. REAL ESTATE

7. FACILITIES & OPERATIONS

A. Informational Briefing on the Status of Port Facilities and Operations Projects.

8. PLANNING & DEVELOPMENT

A. Authorization to enter into Exclusive Right to Negotiate for the Design and Development of the Bryant Street Pier Project, including the James R. Herman Cruise Terminal, on Pier 30-32 and SWL 330. (Resolution No. 00-03)

B. Authorization to enter into a contract with the consultant team led by Bay Area Economics to evaluate proposals received in response to the Request for Proposals for a San Francisco Bay/maritime oriented public attraction in Pier 45 Shed A at Fisherman's Wharf. (Resolution No. 00-02)

C. Informational Briefing on the Status of Port Planning & Development Projects.

9. FINANCE & ADMINISTRATION

10. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 24-½ (Pier 24 Annex)
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*Metropolis Partners, Inc. & Polatnick Properties: David A. Agger & David Polatnick

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations between the Port and Metropolis Partners, Inc. & Polatnick Properties regarding Port property located at Pier 24-½ (Pier 24 Annex).

b. Property: Rincon Park Restaurant at Folsom and Embarcadero
Person Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning and Development.
*Nice Ventures Inc.: Reed Hearon

Under Negotiation: ___ Price ___ Terms of Payment X Both
An executive session has been calendared to discuss real estate negotiations regarding Rincon Park Restaurant at Folsom and Embarcadero.

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
____ As Defendant __X__ As Plaintiff

12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

13. ADJOURNMENT

JANUARY 2000
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
Jan. 10	5:30 p.m.	Southern Waterfront Advisory Group	Southeast Comm.Center 1800 Oakdale, S.F.
Jan. 11	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
Jan. 12	5:00 p.m.	Rincon Park Design Subcommittee	So. Beach Yacht Club Pier 40
Jan. 17 *(Cancelled)*	5:00 p.m.	Rincon Point/ South Beach CAC	So. Beach Yacht Club Pier 40
Jan. 18	9:00 a.m.	Fisherman's Wharf Advisory Group	Scoma's Restaurant Pier 47, Fisherman's Wharf
Jan. 24	5:00 p.m.	Rincon Point/ South Beach CAC	So. Beach Yacht Club Pier 40
Jan. 25	4:00 p.m.	Port Commission	Port Commission Room Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda.

The Fisherman's Wharf Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47, Fisherman's Wharf.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Port Commission Room, Ferry Building.

The Ferry Building Waterfront Advisory Group does not have any meetings scheduled for January.

The Southern Waterfront Advisory Group meets regularly on the 2nd Monday of the month at 5:30 p.m. in the Port Commission Room, Ferry Building.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Amy Neches, Redevelopment Agency at 749-2450 for more information.

Port Website

Check out the Port's Website at **www.sfport.com**

Questions/Contacts

Pier 45 Advisory Group	Kirk Bennett	274-0545
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Ferry Building Waterfront Advisory Group	Alec Bash	274-0539
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southeast Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Liz Fitzgerald	274-0400

ACCESSIBLE MEETING INFORMATION

The Port Commission office is located on the third floor of the Ferry Building, Suite 3100. The Port office is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market and Spear Streets. Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71. For more information about MUNI accessible services, call 923-6142.

Accessible parking is provided in the small parking lots adjacent to the Ferry Building; three spaces in the north lot and two spaces in the south lot. These spaces are usually full during business hours. Due to the ongoing construction of the Mid-Embarcadero Roadway Project there are currently no curbside passenger unloading and loading areas. The area of the north parking lot adjacent to the north building entrance should be used for this purpose. Parking is available at Rincon (Spear between Mission & Howard), One Market Plaza (Spear between Market & Mission), Embarcadero Center 4 (Clay between Davis & Drumm) and 50 California Garage (Sacramento between Davis & Drumm).

There are two accessible entrances into the World Trade Center (north wing of the Ferry Building); one on the north and the main entrance on the west (Embarcadero). The west entrance is provided with two doors in series that can be operated automatically. Both entrances lead to the elevator lobby. The two elevators are accessible and lead to the third floor location of the Port of San Francisco's office, Room 3100. The ramp from the lobby to the third floor is too steep to be considered an accessible path of travel. Public restrooms and drinking fountains on the first floor of the World Trade Center (north wing of the Ferry Building) are accessible, as well as the central restrooms within the Port's office area.

Assistive listening devices are available for use in the Port Commission Meeting. The following services are available on request 72 hours prior to the meeting: (1) American Sign Language Interpreters; (2) A Sound Enhancement System; (3) The use of a reader during the meeting and (4) copies of the agenda or minutes of the meeting in alternative formats. Please contact Kevin Jensen, the Port's ADA Coordinator at (415) 274-0555. Late requests will be honored if possible. Please contact the Commission Secretary at (415) 274-0406 should you require large print of the agenda.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Rachel Arnstine O'Hara, Clerk of the Sunshine Ordinance Task Force at 554-6171; fax 554-6177, City Hall, Room 362, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683. Her e-mail address is Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 - 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

PORT OF SAN FRANCISCO

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San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

January 11, 2000

TO: MEMBERS, PORT COMMISSION
Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of Rent Credits for Repairs and Maintenance Otherwise the Obligation of Port, Undertaken by West Coast Recycling Company, Inc. at Pier 94-96 Pursuant to Lease No. L-12540

DIRECTOR'S RECOMMENDATION: Approve Rent Credits to West Coast Recycling Company, Inc.

BACKGROUND

By Resolution No. 99-20, the Port Commission approved a twenty year lease extension with West Coast Recycling Company, Inc. ("West Coast") for 197,516 square feet of Shed Space, and 107,320 square feet of Paved Yard at Pier 96 (Lease No. L-12540) for the operation of a wastepaper/dry fiber/plastics and glass recycling and maritime transshipment facility. West Coast's current rent obligation under Lease No. L-12540 is $72,653.00 per month, $871,836.00 per year.

Pursuant to Section 40 of Lease No. L-12540, West Coast is entitled to a rent credit for repairs and maintenance undertaken by West Coast which repairs and maintenance would otherwise have been the obligation of the Port. The Port's repair obligations under the Lease are limited to maintenance of the Pier 96 Lighter Shed roof and walls in watertight condition during the first five years of the Lease (August 1, 1998 through July 31, 2003), to maintain the Pier 96 pilings and substructure, the Pier 94-96 sewer system, and the Pier 94-96 common areas throughout the term.

Because of limited personnel, material and fiscal resources, the Port has been unable to effect needed repairs to the Pier 96 Lighter Shed rain gutters, the common area storm water

drainage system, and the repairs of several sink holes that developed in the common areas following the collapse of a storm drain. Additionally, an inspection of the Pier 96 Lighter Shed fire sprinkler system prior to West Coast's occupancy revealed the need for repairs and code compliance upgrades. With the Port's consent West Coast undertook the following repairs at the following costs.

RENT CREDIT REPAIRS AT PIER 96 - PORT OF SAN FRANCISCO

Description of Project	**Cost**
Fire Sprinkler System - 5 Year Inspection - Invoice #48-17677 Grinnell Fire Protection, Inc. (Contractor)	$ 1,566.00
Fire Sprinkler System Deficiency Repairs & Certification - Invoice #048-06785 Grinnell Fire Protection, Inc. (Contractor)	8,300.00
Fire Sprinkler System Modifications & New Installations - Invoice #048-09001I Grinnell Fire Protection, Inc. (Contractor)	
Grinnell Fire Protection Inc. (Contractor)	52,592.00
Turner Construction (General Contractor)	111,351.00
Total	163,943.00
Sea Water Intrusion Repairs at Northeast Loading Dock - Invoice #99-082 (R & W General Contractor)	64,720.00
Lash Terminal Building Gutter Replacement - Invoice #99-083 & 99-094 North & West Side of Facility and West Side of Main Entrance Canopy (R & W General Contractor)	64,500.00
Sink Holes on West End of Site in Pier 96 Common Use Area - Invoice #99-084 (R & W General Contractor)	48,000.00
Total Rent Credit as of September 30, 1999:	**$351,029.00**

Because Lease No. L-12540 does not provide a "not to exceed" figure for automating rent credit approval, the Port staff has determined that a rent credit of this significance should be reviewed and approved by the Port Commission. Pursuant to the terms of the Lease, if approved, the rent credit will be applied against West Coast's monthly rent obligation at a rate not to exceed one half (1/2) of the Base Rent ($72,563.00 ÷ 2 = $36,326.00) retroactive to December 1999.

RECOMMENDATION: Port staff recommends the Port Commission approve a rent credit to West Coast Recycling Company, Inc. pursuant to Section 40 of Lease No. L-12540 in the amount of $351,029.00.

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-04

WHEREAS, Section B3.581 of the Charter of City and County of San Francisco empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate and control the lands of the Port; and

WHEREAS, by Resolution No. 99-20 the Port Commission approved the terms of Lease No. L-12540 with West Coast Recycling Company, Inc.; and

WHEREAS, Section 40 of Lease No. L-12540 provides for the issuance of rent credits for repairs and maintenance undertaken by West Coast Recycling Company, Inc. which repairs and maintenance otherwise would have been the obligation of the Port; and

WHEREAS, Pursuant to Section 40 of Lease No. L-12540, West Coast Recycling Company, Inc. has undertaken the repairs and maintenance at Piers 94-96 as outlined in the Memorandum of Agenda Item 4A for the January 11, 2000 Port Commission Meeting, now, therefore, be it

RESOLVED, that the San Francisco Port Commission, hereby approves the issuance of a rent credit to West Coast Recycling Company, Inc. pursuant to Section 40 of Lease No. L-12540 in the amount of $351,029.00 to be applied against West Coast Recycling Company, Inc.'s Base Rent obligation of said Lease.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 11, 2000.

_____
Secretary

\\PACIFICA\USERS\TENANT\WP51\AGENDAS\West Coast Recyling Rent Credits\qy\1/4/2000.doc

PORT OF SAN FRANCISCO

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MEMORANDUM

January 6, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Briefing on Status of Port Facilities and Operations Projects

DIRECTOR'S RECOMMENDATION: NO ACTION REQUIRED.

The Facilities and Operations Division is responsible for the design, construction management and construction of all Port sponsored facilities maintenance and capital projects.

Attached are Project Summary Sheets for each of the Port sponsored facilities maintenance and capital projects currently underway by Facilities and Operations staff. This report is intended to provide you with a brief status report on the Division's activities.

Prepared by: Alexander K. Lee, Director of Facilities and Operations

THIS PRINT COVERS CALENDAR ITEM NO. 7A

SCOMA'S SEAWALL REPAIR

PROJECT ENGINEER	Joe Roger
PROJECT DESCRIPTION	Emergency repair for deteriorated section of seawall per Declaration dated July 30, 1998. Tasks include performing a condition survey of the seawall (approximately 30' in length), designing a repair scheme and executing repair construction.
STATUS	Project is currently in final design phase. Construction bidding will follow design completion, per emergency procedures.
APPROVALS	With respect to BCDC submittal, Port Planning considers project 'maintenance.'
PROJECT COST	Estimated cost of project is $300,000. Port capital fund contribution is $300,000.
CONSULTANT	Olivia Chen Consultants

Schedule Milestones

May, 1999	Design commenced
Feb, 2000	Design completed
Aug, 2000	Construction commences
Nov, 2000	Construction completed

HYDE STREET HARBOR LANDSIDE IMPROVEMENTS PROJECT
PORT CONSTRUCTION CONTRACT NO. 2664

PROJECT ENGINEER	Joe Roger
PROJECT DESCRIPTION	Project scope includes providing new utilities along Hyde Alley, new asphalt, demolition of specific buildings to accommodate a new 24 car parking lot, new parking lot annex to accommodate a new 21 car waterside parking lot, and new bathroom and storage facilities within existing blue shed building along Hyde Alley.
STATUS	The Planning Commission certified an EIR for the project in December 1996 and found no significant environmental impacts to be caused by the new harbor. The project was advertised for bids in December, 1999. Completion of construction is scheduled for September, 2000.
PROJECT COST	Estimated cost of construction is $2.0 million. The Port received a $3.5 million loan from the California Department of Boating and Waterways. Additionally Port capital fund contribution is over $1.5 million.
CONSULTANT	Concept Marine Associates.
SCHEDULE MILESTONES	April, 1998 Port Commission approval to seek grant funding.
	November, 1999 Port Commission approval to advertise for construction bid
	April, 2000 Construction begins
	August, 2000 Construction completed

HYDE STREET HARBOR WATERSIDE IMPROVEMENTS PROJECT
PORT CONSTRUCTION CONTRACT NO. 2663

PROJECT ENGINEER	Joe Roger
PROJECT DESCRIPTION	A new 62-berth harbor located immediately east of Hyde Street to serve the commercial fishing fleet in Fisherman's Wharf. The harbor adds to the existing 116 berths that are currently located in the inner and outer lagoons at Fisherman's Wharf. Project scope includes accessible gangway, floating walkways, berths, and utilities.
STATUS	The Planning Commission certified an EIR for the project in December 1996 and found no significant environmental impacts to be caused by the new harbor. Project construction bids were received in December and are currently being reviewed by Port Staff. Completion of construction is scheduled for September, 2000.
PROJECT COST	Estimated cost of construction is $1.83 million. The Port received a $3.5 million loan from the California Department of Boating and Waterways.
CONSULTANT	Concept Marine Associates.
SCHEDULE MILESTONES	April, 1998 Port Commission approval to seek grant funding.
	November, 1999 Port Commission approval to advertise for construction bid
	April, 2000 Construction begins
	September, 2000 Construction completed

PIER 43 FERRY TERMINAL

PROJECT COORDINATOR	Joe Roger
PROJECT DESCRIPTION	A new Public Ferry Dock at Pier 43 funded and constructed by the City of Vallejo. The main features of the project include a new 50 ft. wide by 82 ft. long steel float, a new 90 ft. by 7.5 ft. wide access gangway, and approximately 1,730 sq. ft. of new deck space at Pier 43. All project elements satisfy the Port of San Francisco's ADA accessibility requirements.
STATUS	Design drawings are 30% complete and are being reviewed by Port Staff. Environmental clearance underway.
APPROVALS	BCDC DESIGN REVIEW BOARD REVIEWED PROJECT IN NOV., 1999.
PROJECT COST	Estimated project cost is $2,000,000.
CONSULTANT	Moffat & Nichol
SCHEDULE MILESTONES	BCDC and ACOC permit applications to be filed in Spring, 2000. Design scheduled for completion in June, 2000. Construction scheduled to commence in August, 2000.

PIER 43 ARCH EMERGENCY DISASSEMBLY AND SHORING

PROJECT ENGINEER	Victor Yew
PROJECT DESCRIPTION	On July 14, 1998, the Port declared an emergency on the fire damage to the Pier 43 Arch. Under the emergency declaration, contractor Biller-McCoy Builders, Inc. was hired to perform the work of disassembly and shoring of the structure. Following completion of the disassembly and shoring contract, a separate competitively bid contract will be prepared for the arch repair and restoration it to its pre-fire condition. A consultant, Architectural Resources Group was hired to assist in the development of disassembly and shoring plans and subsequent repair plans. The disassembly and shoring is totally funded by insurance proceeds.
STATUS	The work of disassembly and shoring was completed as of December 15, 1999.
PROJECT COST	The contract amount was $392,727.
CONSULTANT	Architectural Resources Group
SCHEDULE MILESTONES	Project complete as of 12/15/1999.

PIER 43 ARCH RESTORATION

PROJECT ENGINEER	Victor Yew
PROJECT DESCRIPTION	On July 14, 1998, the Port declared an emergency on the fire damage to the Pier 43 Arch. The arch restoration will follow the completion of the emergency disassembly and shoring contract. The arch restoration will be a competitively bid contract for the repair and restoration of the arch to its pre-fire condition. The repair work is totally funded by insurance proceeds.
STATUS	Insurance company has written a letter commitment approving the use of $75,000 to start the consultant on the design for the repair work. A modification of contract is currently in process.
PROJECT COST	$1/2 to $1 million depending on extent of required restoration.
CONSULTANT	Architectural Resources Group
SCHEDULE MILESTONES	Advertise Contract: March 2000 Award Contract: May 2000 Construction Start: July 2000 Construction Complete: November 2000

PIER 43-1/2 PUBLIC ACCESS AREA

PROJECT ENGINEER	Victor Yew
PROJECT DESCRIPTION	The existing pier at the end of Vista Point was demolished and reconstructed with a new deck and stage for equivalent disability access views. In addition, a bell and timber constructed resonator supported from a steel frame above the stage was constructed to create a visual destination point for visitors of the Fisherman's Wharf area. The project also includes interpretive signage, Fisherman's Wharf lighting standards, flagpoles, and wood pile handrails.
STATUS	Maintenance has performed all the work on the construction of the Pier. The project is essentially complete with only minor items remaining to be done such as connecting the lights and placing dry pack under the poles.
PROJECT COST	Materials cost were approximately $105,000. Port Maintenance performed the labor on the work.
CONSULTANT	None. Design done in-house, though architectural services from DPW-BOA used in the architectural design.
SCHEDULE MILESTONES	Project completed.

FISHERMAN'S WHARF OCTAGON BUILDING RESTROOMS

PROJECT MANAGER	Kevin Jensen	
PROJECT DESCRIPTION	Reconstruct the public access restrooms at the south side of the Octagon Building at the corner of The Embarcadero and Taylor, SWL 301. The project will completely rebuild the men's and women's restrooms in this facility, including plumbing, ventilation, finishes, and lighting.	
STATUS	The Port Engineering Department has prepared working drawings and specifications that are currently approximately 85% complete.	
APPROVALS	The schematic designs were presented to the Fisherman's Wharf Tenants Association for review and approval.	
PROJECT COST	Total project cost of $250,000 funded by a combination of Port Operating Budget and Capital funds.	
CONSULTANT	None.	
SCHEDULE MILESTONES	February, 2000	Working drawings and specifications complete.
	March, 2000	Begin Construction
	May, 2000	End Construction

PIER 1-1/2 TO 5 MARGINAL WHARF REPAIR, PHASE I

PROJECT ENGINEER	Victor Yew
PROJECT DESCRIPTION	The Phase I work is limited to the repair of the first bay of marginal wharf adjacent to the seawall from Pier 1 ½ to the south wall of the Pier 5 bulkhead. The remainder of the marginal wharf repair will be done as part of a development project(s). This Phase I Section of Marginal Wharf supports the Mid-Embarcadero improvements and requires repair prior to completion of the promenade. Under a MOU with DPW, $1.0 million will be funded from Mid-Embarcadero Project for the marginal wharf repair work and related shoring work. Port will fund any additional repair costs above $1.0 million and the architectural aspects of the work. In addition to the marginal wharf repair, the work will include completion of the narrow strip of promenade left undone by the Mid-Embarcadero Project, shoring of the building columns during the repair work on the substructure, and architectural repair of the penetrations through the building façade for the column shoring.
STATUS	Plans and specifications are under review by Caltrans.
PROJECT COST	$1,110,651 (CONSTRUCTION COST ESTIMATE PHASE I)
CONSULTANT	Structus Consulting Engineers
SCHEDULE MILESTONES	Caltrans Review Complete: February 2000 Advertise Contract: March 2000 Award Contract: May 2000 Construction Start: June 2000 Construction Complete: September 2000

DOWNTOWN FERRY TERMINAL

PROJECT MANAGER	Nieret Mizushima
PROJECT DESCRIPTION	The Downtown Ferry Terminal project, funded primarily through Federal sources, consists of a base bid plus four alternate bid items. The base bid consists of two new ferry terminals. The first to be constructed will be a new covered landing facility adjacent to the south end of the Ferry Building. Complete with portal structures, railings and amenities that will echo the historic and maritime architectural themes of the Ferry Building and other waterfront pier-buildings, the new landing will also feature attractive stonework, paving and artwork at the portal that will enhance the attractiveness of the new facilities and the waterfront. A new breakwater will be built to provide a safer and more accessible landing environment for the ferries. After the new landing is constructed, the existing landing at Pier ½ will be relocated to just north of the Ferry Building. This renovated landing facility will feature the same architectural and artistic embellishments featured at the new landing. The new and renovated facilities will solve a number of challenges associated with scheduling arrivals and departures of numerous ferry operators, as well as provide increased opportunities for additional ferry runs or new ferry routes. Ferry operators currently using the facility and slated to share in the new facility include Blue and Gold Fleet, Red and White Fleet, Alameda-Oakland Ferry, and Harbor Bay Ferry.
STATUS	The Planning Commission authorized the award of the base bid on December 16, 1999. Notice to Proceed will be issued in early January 2000. Federal DOT funds have been promised to fund the New North Float alternate. Additional funds are being sought to fund the Breakwater alternate. Funds have not been identified to fund the Public Access to the breakwater.
APPROVALS	When additional funds are found for the breakwater, we will seek Commission approval to award the breakwater alternate. When the federal funds are received, we will

obtain Commission approval to fund the New North Float alternate.

PROJECT COST

The Base Bid cost plus contingency is $10,089,696. The Breakwater alternate with contingency is $3,847,536. The new North Terminal float with contingency is $1,320,000. Total costs with contingency are $15,257,232

CONTRACTOR

Miller/Thompson Constructors – The firm is a woman-owned disadvantaged business enterprise (DBE) and successfully met the Federal DBE contracting goals.

SCHEDULE MILESTONES

January 2000	Issue Notice to Proceed
February 2000	Begin on site work after approval of schedules and submittals
July 2000	Open new South Terminal; close existing Pier ½ terminal
December 2000	Construction completed

AGRICULTURAL BUILDING, EAST ENTRY STAIR REMODEL
PORT CONSTRUCTION CONTRACT NO. 2657

PROJECT ENGINEER	Mansur Niufar
PROJECT DESCRIPTION	Existing wooden stairs and supporting platform that once provided the required emergency exit from the second floor of Agricultural Building is no longer safe and must be replaced.
STATUS	The work was originally assigned to the Bureau of Architecture that provided the preliminary design. Port Engineering will complete the structural engineering and details. Due to the urgency of the needed exit at Agricultural Building the project will be done as an **emergency contract.**
PROJECT COST	$ 150,000.00
CONSULTANT	None
SCHEDULE/ MILESTONE	Advertise for bid in January 2000 and complete by July.

CHINA BASIN SHORELINE STABILIZATION

PROJECT ENGINEER	Ken Chu
PROJECT DESCRIPTION	This project provides slope stabilization for the southern shoreline of China Basin in order to provide a permanent wateredge that the Giant's can use to create a public access park as required by their BCDC permit. This shoreline stabilization project requires placement of approximately 4,400 cubic yards of riprap to the south China Basin shoreline from Third Street to Pier 48.
STATUS	Soil borings and a dynamic soil-seismic analysis were performed by Olivia Chen Consultants for the project. The results indicated that the shoreline is stable, however minor lateral spreading is expected during earthquake. This information was given to the Giants for the development of the park. The construction contract documents are 95% complete. The former H&H Tank Treatment Area is located on the China Basin Park Site near Pier 48. Environmental staff is conducting the closure process. The H&H closure might affect the CBSS Project. We postponed advertising until the impact is resolved.
APPROVALS	Port staff will submit permit applications to BCDC, the Army Corp of Engineers, and the Regional Water Quality Control Board within the next few weeks.
PROJECT COST	Total project cost is estimated to be $394,261. The Port has a Capital fund of $592,200.
CONSULTANT	Olivia Chen Consultants.
SCHEDULE MILESTONES	January, 2000 — Port Commission approval to advertise for construction bid April, 2000 — Construction begins June, 2000 — Construction completed

CHINA BASIN FERRY TERMINAL

PROJECT MANAGER	Leo Bragagnolo	
PROJECT DESCRIPTION	When completed, this facility will provide commuter access to San Francisco's China Basin and South of Market areas. The project entails the construction of a concrete platform to provide access to two barge/floats via gangways for the landing of ferry boat passengers.	
STATUS	The base bid of the construction contract has been awarded to Vortex Diving Inc. Notice to Proceed was issued December 30, 1999. The base bid includes the access platform and one of the barge/floats and gangways. An additive bid item is for the second float, gangway and related piling.	
PROJECT COST	The project is funded by $2,000,000 federal grant funds with a 20 percent match with Port funds. The base bid with contingency is $1,990,472. The additive bid item cost with contingency is $1,058,002, for a total project cost of $3,048,474. The Redevelopment Agency has been asked to assist with the funding for the additive bid item.	
APPROVALS	Authorization from the Port Commission to award the additive bid item for the second float.	
CONTRACTOR	Vortex Diving Inc.	
SCHEDULE MILESTONES	Late March, 2000	Substantial completion of one of the floats in time for the first exhibition game.
	May 2000	Final completion of both floats

PIER 48 INTERIOR FIRE DAMAGE REPAIR
PORT CONSTRUCTION CONTRACT NO. 2665

PROJECT ENGINEER	Mansur Niufar
PROJECT DESCRIPTION	This project is the follow up to the Pier 48 Fire Damage Repair to the building shell that was completed in 1988. This phase of the project involves the design and installation of sprinkler system and replacement of the restrooms, and provisions for access and egress in compliance with the current Building Code.
STATUS	Construction documents submitted by Kendall Young Associates have been reviewed by the Port staff and returned to the Consultant for implementation of suggested changes. The project scope is being reviewed by the insurance carriers for confirmation of project cost estimate.
PROJECT COST	Estimated cost by Don Todd Associates: $ 2,152,410.00 Estimated cost by Insurance co.: $ 1,658,894.00
CONSULTANTS	Kendall Young Associates / Beverly Prior Architects. Don Todd Associates (DTA)
SCHEDULE MILESTONE	Advertise for bid, February 2000

PIER 50 OFFICE IMPROVEMENTS

PROJECT MANAGER	Kevin Jensen	
PROJECT DESCRIPTION	A capital improvement project to complete the improvements to Pier 50 Shed D Maintenance Department. Work includes a new passenger lift serving the second floor offices, as well as accessibility improvements to restrooms on the first and second floors in the office area.	
STATUS	Port Engineering Department staff has prepared working drawings and specifications to 85% completion, and will be issuing the documents to the Port's maintenance department in early 2000. Construction is expected to take approximately 6 months.	
PROJECT COST	The project is funded by $557,059 in New Maintenance Facility Loan funds.	
CONSULTANT	None.	
SCHEDULE MILESTONES	March, 2000	Issue working drawings and specifications to Maintenance Department for construction.
	April, 2000	Begin Construction
	October, 2000	End Construction

PIER 50 FIRE PROTECTION PROJECT
PORT CONSTRUCTION CONTRACT NO. 2648

PROJECT ENGINEER	Skip Zeller
PROJECT DESCRIPTION	This construction contract will provide a wet-pipe fire sprinkler system in Sheds A and B of Pier 50. If funds are available, the project also will provide a new 8" fire water supply main on Pier 50, including a fire hydrant and the supply for a fire sprinkler system in Shed C. In addition, if funds are available, Shed C will also be fire sprinklered.
STATUS	The existing water main in Terry Francois Boulevard is not adequate to supply additional fire sprinklers on Pier 50, so this work is dependent on the installation of a new 12" main in the street. The new water main contract will be done by the PUC after we have committed the funds for that project. At present, the portion of the funding from the Pier 48 fire insurance payment has not been received. Therefore, neither of these construction contracts is scheduled.
PROJECT COST	The engineer's estimate for the base bid item, sprinklering Sheds A and B, at $2.50 per square foot, is $525,600. The additive bid item for an 8" main on the Pier would be $60,300. Sprinklering Shed C will be $294,600, for a total cost of $880,500. The August 1999 PUC estimate for their new main is an additional $683,300, of which the insurance proceeds should pay $329,300 and the Port would pay $354,000.
CONSULTANT	None, however Olivia Chen Consultants reviewed the project plans and specifications.
SCHEDULE MILESTONES	Contract plans and specifications completed in April, 1998. Fire insurance settlement approximately January, 2000. PUC advertise, award, and complete new water main Sept. 2000 Port advertise and award Contract 2648 - July, 2000. Port complete construction – October, 2000.

MAINTNANCE DREDGING
PORT CONSTRUCTION CONTRACTS 2655 AND 2662

PROJECT MANAGERS	Roberta Schoenholz and Ed Byrne
PROJECT ENGINEER	Ken Chu
CONSTRUCTION MANAGER	Ed Bubnis
PROJECT DESCRIPTION	Dutra Dredging Company performed maintenance dredging under two Port construction contracts this fall. A contract modification to Maintenance Dredging Contract No. 2655 was negotiated to perform dredging for the Downtown Ferry Terminal Project, the Hyde Street Harbor Project and at the Central Basin for San Francisco Drydock. Dredging was also preformed under the Port's new Maintenance Dredging Contract No. 2662 at Pier 92 and Pier 35 East Widening. In total 463,000 cubic yards of dredge material was removed with 436,000 cubic yards disposed in-bay and 27,000 cubic yards disposed at an upland disposal sites. Upland disposal was performed at Pier 94/96 and at Winter Island on the Sacramento River delta. This is the first time the Port utilized the Winter Island reclamation site that re-uses the dredge material for reinforcing the island's protective berms.
STATUS	All the dredging under both contracts has been completed with the exception of the Pier 35 Widening which is scheduled to be completed in early January 2000.
APPROVALS	Port staff submits permit applications to BCDC, the Army Corp of Engineers, and the Regional Water Quality Control Board for each dredging site for each dredging episode. Obtaining these permits in a timely fashion from these agencies for the dredging to occur on schedule has been a considerable challenge to Port Staff.
PROJECT COST	Total cost of dredging performed under the contract modification was approximately $1.1 million. The dredging performed under contract 2662 totaled approximately $3.3 million. Thus, a total of approximately $4.4 million worth of dredging was performed this fall.
CONSULTANT	None
SCHEDULE MILESTONES	Summer/Fall 2000: Continue maintenance dredging at Pier 35 East and West Berths, Pier 80 Berths A, B and C and the Fisherman's Wharf Inner Harbor.

RASTERIZING ENGINEERING DRAWINGS

PROJECT ENGINEER	Ken Chu
PROJECT DESCRIPTION	Convert approximately 20,000 existing engineering drawings into electronic format. The project includes the supply and training Port Staff in the use of software used for drawing retrieval, viewing, editing, and reproduction. This project enables Port staff to view the drawings on their computers, and eliminates the need to transfer drawings from their current location to the Port's new office in Pier 1.
STATUS	Purchase Order was advertised in August 1999. RPM Imaging was the successful bidder for this project. First shipment was sent out in October. We have sent out approximately 6000 drawings. About 1,500 digitized drawing could be reviewed in Port's database.
PROJECT COST	Total engineers estimate is $150,000.
SERVICE PROVIDER	RPM Imaging.
SCHEDULE MILESTONES	September 13, 1999, Purchase Order was approved by City's Purchase Office. September 2000, Existing drawings rasterized completed.

AMERICANS WITH DISABILITIES ACT TRANSITION PLAN

PROJECT MANAGER	Kevin Jensen
PROJECT DESCRIPTION	Port of San Francisco's Accessibility Transition Plan (draft). This Plan is mandated by the Mayor's Office on Disability for all city departments. The Plan describes a prioritized list of capital projects that are intended to remove barriers to accessibility to disabled persons using Port facilities.
STATUS	The Port's draft transition plan was started in 1992 and was last updated in 1997. The plan requires updating, due in part to current and anticipated development projects as well as changes in the lease status of several facilities. There are a number of facilities that were not originally surveyed to ascertain their transition plan status. These facilities will be surveyed and included in the plan as required.
APPROVALS	Port staff will be updating and expanding the current draft transition plan in the year 2000. The current draft plan is on file with the Mayor's Office on Disability as part of the overall City Transition Plan.
PROJECT COST	Total costs of $415,000 are identified in the plan, although this figure will likely be higher once the plan is revised due to the limited nature of the current plan. The projects will be a paid for with Port Capital funds.
CONSULTANT	None.
SCHEDULE MILESTONES	December, 2000 — Revise Pier 35 Passenger Terminal entry, exits, path of travel, parking, pay phones and restrooms.
	December, 2000 — Revise Agriculture Building entry, exits, path of travel, parking, drinking fountains and restrooms.

FACILITIES MAINTENANCE PROJECTS

PROJECT MANAGER	Gary Olson
PROJECT DESCRIPTION	Various facilities maintenance projects along the waterfront funded by Port capital funds. Major projects include: Plumbing Work — $542,000 Fisherman's Wharf, Piers 27, 29, 9, 26, 50 Piling Work — $924,168 Piers 80, 48 Roofing Work — $1,493,157 Piers 35, 9, 28, 38 $2,959,325
STATUS	Plumbing work to begin after personnel are hired. Fenderpile replacement works at Pier 80 in progress. Roofing work to begin at Pier 28 after rainy season.
APPROVALS	Awaiting certification of personnel.
PROJECT COST	Current project estimate for the facilities maintenance work is $2,959,325.
CONSULTANT	Port Engineering Department
SCHEDULE MILESTONES	TBD

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

January 7, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong /O
Executive Director for

SUBJECT: Authorization to Enter into Exclusive Right to Negotiate for the Design and Development of the Bryant Street Pier Project, including the James R. Herman Cruise Terminal, on Pier 30-32 and Seawall Lot 330

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO ENTER INTO EXCLUSIVE NEGOTIATIONS WITH SAN FRANCISCO CRUISE TERMINAL LLC FOR THE DESIGN AND DEVELOPMENT OF THE BRYANT STREET PIER PROJECT

This staff report provides information on the two development teams which responded to the Bryant Street Pier Project Request for Proposals (RFP), which includes the James R. Herman International Cruise Terminal: LCOR San Francisco LLC ("LCOR") and San Francisco Cruise Terminal LLC ("SFCT"). This report includes a recommendation that the Port enter into exclusive negotiations with SFCT for the design and development of the Bryant Street Pier Project.

A. Introduction and Background

San Francisco's existing cruise terminal at Pier 35 has long exceeded its capacity to efficiently meet the current and future needs of cruise lines and passengers. For over a decade, the Port of San Francisco has been working to bring a new cruise terminal development to the City of San Francisco. Over the past year and a half, the Port has worked closely with cruise industry experts and community representatives in preparation for the issuance of an RFQ/P for the development of a modern cruise terminal. Following extensive staff analysis of alternative sites and significant public input, the Port Commission selected Pier 30-32, together with Seawall Lot 330, as the preferred site for development of the James R. Herman International Cruise Terminal and mixed use development, which together comprise the Bryant Street Pier Project.

B. Issuance of Request for Developer Qualifications and Proposals (RFQ/P)

On May 25, 1999, the Port Commission approved Resolution No. 99-36, authorizing Port staff to issue an RFQ/P for the Bryant Street Pier Project. Consistent with the Waterfront Land Use Plan, Port staff then convened a 20 member Advisory Group made up of industry experts and community representatives. The Bryant Street Pier Project Advisory Group worked closely with Port staff in drafting the following Project Goals and Objectives for the RFQ/P:

- Provide a signature mixed use waterfront project which achieves a high level of year-round public use and support.
- Include development of the state-of-the-art James R. Herman International Cruise Terminal which enhances the Port's international reputation as a first class cruise destination and preserves and creates new maritime jobs on this site and throughout San Francisco's waterfront.
- Achieve a use and design program which respects and complements the existing South Beach neighborhood.
- Provide for the enhancement of the Port's financial position over the term of the leasehold.

The Port's primary objective for the Project is the development of a high-quality cruise terminal, as part of a mixed use project which provides a focal point on the waterfront, mid-way between Downtown and the new Ballpark. The Port envisions a modern cruise terminal with active, public-oriented uses providing a premier gathering place for the Bay Area, the City and the neighborhood.

In addition to the above goals, the RFQ/P listed specific Planning and Land Use, Financial and Urban Design Objectives for the Project, as well as the criteria on which developer qualifications and proposals would be evaluated.

C. Developer Qualifications

On June 4, 1999, Port staff issued the RFQ/P. Staff provided extensive public notice by publication and mail, and distributed more than 240 copies of the RFQ/P to interested parties. On July 26, 1999, four respondents submitted qualifications: Forest City Development, including Peninsular & Orient and General Atlantic (collectively "Forest City"), LCOR San Francisco LLC, including LCOR Incorporated, Lehman Brothers, AIG Insurance, Mosbacher and AeroSea Corporation (collectively "LCOR"), San Francisco Cruise Terminal LLC, including Lend Lease Development, PSA (USA) Inc., Chinese Maritime Transport Ltd. and Whitney Cressman LLC (collectively "SFCT"), and Urbatec.

Port staff, with the assistance of the real estate economics and planning firm of Economics and Planning Systems Inc. ("EPS") reviewed the submittals of the four respondents for completeness and for conformity with the requirements of the RFQ/P. Each team's qualifications and experience to develop and operate the Project were evaluated in light of the selection criteria outlined in the RFQ/P. Based on these evaluations, and as set forth in the Memorandum to Port Commission dated August 19, 1999 for Agenda Item 8B, Port staff

recommended that Forest City, LCOR and SFCT be invited to submit proposals for design and development of the Bryant Street Pier Project.

D. Developer Proposals

On September 3rd, 1999, Staff issued the Request for Proposals (RFP). On September 22, 1999, Forest City informed the Port that it was withdrawing from the RFQ/P process because the Project was "...not consistent with (the) company's long-term financial goals."

On October 28th, 1999, LCOR and SFCT submitted responses to the RFP. Their development teams, development concepts and financial proposals are summarized below. The Port Commission should note that changes and refinements were made to the development teams and their concepts since qualifications were first submitted in July 1999. A summary of the development teams is provided in Appendix A.

E. Summary of Development Concepts

LCOR's development concept includes two 1000-foot berths, one to the east and one to the south, and a 147,718 sq. ft., three story cruise terminal building. Uses on Level 1 of the cruise terminal include U.S. Government offices, a Customs Inspection Station, an embarkation lobby, the ground transportation area, parking, and areas for baggage, exhibition space, airline check-in and rental car service. Uses on Level 2 include a bon voyage garden, VIP rooms and cruise line offices. Level 3 uses include gangways, security, an atrium, passenger check-in lounge, the San Francisco International Office Center, a waiting garden and bon voyage area. A "Skyline Walkway" is on the roof level. The distinctive design element of the terminal is a protruding glass section to the southeast of the pier, reminiscent of a ship's bow.

Non-cruise uses on Pier 30-32 include a 74,441 sq. ft. conference center, a "California Wine Experience" within the cruise terminal and spilling outdoors, 307,501 sq. ft. of office, a 1000-seat Broadway theater, three museums, plazas and open space, preserving Red's Java House in its present location, 231 parking spaces and 223,390 sq. ft. of retail. Proposed retail categories include upscale factory stores, upscale retailer stores, major outdoor apparel/lifestyle merchandise, upscale grocery/fresh prepared foods, and local neighborhood-serving products and services. Proposed open spaces include a Brannan Street Entry Plaza, Winter Gardens, Roof Garden, North Basin Plaza, pedestrian walkways, and extending the PortWalk along the pier's perimeter on non-cruise days. LCOR proposes to fund the removal of Piers 34 and 36 for development of the Brannan St. Wharf. Along the north face of the pier, LCOR proposes areas for recreational boating, ferry service, water taxis and "wingship" service to the airport.

Development options proposed for Seawall Lot 330 include a 537 room hotel with 168 timeshare units and 655 parking spaces, and a smaller scale 401 room hotel with 80 timeshare units and 600 parking spaces. Both Seawall Lot options include neighborhood retail, a health and fitness center, and open space at Beale Street and The Embarcadero.

LCOR also presented a development program on an adjacent lot owned by Caltrans which includes a 752 stall parking garage, 18 stall staging area for Golden Gate Buses, a 9,352 sq.

ft. Caltrans maintenance facility and a 160-unit residential apartment complex. The Port does not own or control this property.

SFCT's development concept includes a 1000-foot and 850-foot berth to the east and north, respectively, and a 125,000 sq. ft. two story cruise terminal. The terminal building incorporates 24,000 sq. ft. of conference space on cruise days or 70,000 sq. ft. on non-cruise days. Uses on the first level of the terminal include a Federal Inspection area (Customs, Immigration, FDA processing zone), luggage handling, parking, vessel stores, equipment, storage areas, separate facilities for harbormaster, stevedores, Pier staff and ship crew, and areas for buses, taxis, excursion vans and passenger cars. Level 2 includes a multi-use "Great Room" arrival and departure hall for passengers, which can accommodate up to 3,500 people for functions, exhibitions, convention and cultural spaces, and community and civic events. Upper level spaces are connected by a galleria overlooking roof gardens. The distinctive design elements of the proposal include a circular lagoon on the southern edge of the pier and an upward sweeping, glass terminal building oriented towards the Bay Bridge. SFCT presents an option for a third 1000-foot berth to the east if and when the market demands another berth. It is not, however, part of the current development proposal.

Non-cruise uses on Pier 30-32 include 300,000 sq. ft. of office, a six screen art cinema, a live music venue, public access and open space, preserving Red's Java House in its present location, 542 parking spaces and 155,900 sq. ft. of retail. Proposed retail categories include home/office, fast food, entertainment, apparel, accessories, leisure, service related and consumer food, with neighborhood and regional-serving retail on the southern edge of the Pier. Open space uses include a 160-foot wide circular waterway with views, dropped platforms and viewing terraces, a small public mooring and public fishing area, a public promenade along the pier aprons, and upper level link ways to public access areas when no ships are in berth. SFCT proposes areas for ferry service and a small boat harbor on the south side of the pier. SFCT provides space for day and ceremonial berthing on the south face of the pier, and has indicated it will work with the San Francisco Giants the Bay Area Water Transit Alliance and others to pursue a ferry plan. Although SFCT has incorporated the Brannan St. Wharf in its design drawings, it does not propose to fund the removal of Piers 34 and 36.

On Seawall Lot 330, SFCT proposes a 400 room full-service hotel with 111 timeshare or rental apartments, as well as neighborhood serving retail, open space and 187 parking spaces.

F. Summary of Financial Proposals

LCOR offers construction period rent of $2.6 million and a guaranteed base rent of $2,393,191 in 2004 in its proposal to privately develop the entire project. LCOR also proposes CPI adjustments every 5 years, not to exceed 1% per year. LCOR would pay to the Port 25% of net income in excess of their current proforma projections as participation rent. The Port's share of net sale proceeds would be 10%.

SFCT offers construction period rent of $1.5 million and a guaranteed base rent of $985,000 in 2005. SFCT offers a 3% increase in minimum rent every year for the first 5 years of the lease, and CPI adjustments thereafter. In response to questions from the Port, SFCT has indicated that the Port's share of net sale proceeds is negotiable. The participation rent the

developer pays to the Port is based on the developer first receiving an unleveraged return of 12%, with the revenue above this rate then shared 20% to the Port. Although SFCT's proposal did not include participation rent on the hotel, SFCT has indicated, in response to questions from the Port, that this is negotiable.

G. Public Comment

The Port received extensive public input on the two Bryant Street Pier Project proposals through three Port Commission hearings, several community meetings and letters submitted to the Port.

Approximately 250 people attended the November 17, 1999 Port Commission meeting wherein both development teams presented their proposals. Thirty-four people addressed the Commission on this item. At the Port Commission meeting on December 7, eight people provided public testimony. On December 16, three people commented on the Project during a joint meeting of the Port Commission and the Bay Conservation and Development Commission.

On November 19, 1999, LCOR and SFCT presented their Project proposals to approximately seventy people at a meeting hosted by San Francisco Planning and Urban Research (SPUR). On December 6, LCOR and SFCT again presented their project proposals during a joint meeting of the Bryant Street Pier Project Advisory Group and the Rincon Point-South Beach Citizen's Advisory Committee (CAC). Approximately eighty people attended this meeting which was open to the public and included a question and answer period with the developers. Twenty-two people commented on the proposals or asked questions of the developers. The Bryant Street Pier Project Advisory Group again met on December 15 for two hours to discuss the pros and cons of each proposal and to identify questions and/or concerns for Port consideration. Similarly, the Rincon Point-South Beach CAC met on December 20, 1999 to discuss each proposal and provide further public input to the Port.

Port staff has provided the Port Commission with complete summaries of all comments and copies of all letters received to date.

H. Evaluation Criteria for Proposals

The RFP provided that each of the six sets of criteria listed below would be given equal weight in the evaluation of proposals:

1. The criteria used in evaluating the responses in Phase 1

2. The Cruise Terminal proposal, including:
   - the design and layout of the Cruise Terminal and related facilities
   - the marketing plan for the Cruise Terminal
   - maintenance and management responsibility for the Cruise Terminal, including use of the Terminal for other purposes when not needed for cruise operations
   - the economic proposal and financial feasibility of the Cruise Terminal including proposed construction costs, sources of financing and operational costs
   - other criteria deemed appropriate by the Port

3. Further refinement of the development concept, including:
   - the nature of the proposed tenancies
   - the design and overall physical plan
   - the marketing plan
   - the achievement of the Project Goals and Objectives set forth in Section IV of the RFQ/P
   - approach for promoting public trust objectives and complying with trust use restrictions
   - other criteria deemed appropriate by the Port

4. The economic proposal to the Port, including:
   - ground lease rent
   - participation rent/percentage rent
   - length of term
   - rent adjustments
   - maintenance and management responsibility for the Project
   - construction period rent
   - other criteria deemed appropriate by the Port

5. The feasibility of the Project, including:
   - the project economics
   - the concurrence of key tenants with the concept
   - marketing program
   - timetable for development
   - evidence of the financing resources available to complete the Project
   - other criteria deemed appropriate by the Port

6. Other factors, including but not limited to understanding and demonstrated ability and flexibility necessary to obtain key approvals and community and user support in a complex political and regulatory environment.

In addition, the Port reserved the right to consider other factors as appropriate and to request additional or updated information. Specifically, the RFQ/P stated that during the Phase 2 review period, the Port, members of a selection panel and/or consultants retained by the Port may, at their discretion, contact references and industry sources, investigate previous projects and current commitments, interview some or all of the developers and their team members, and take any other information into account in their evaluation of the responses. The Port also reserved the right to request clarification from respondents and to request that respondents make presentations to the Port Commission, community groups or others.

I. Analysis of Submittals

Port staff, with the assistance of the real estate economics and planning firm of Economics and Planning Systems ("EPS") Inc., and the hospitality consulting firm of HVS reviewed the submittals of the two respondents for completeness and for conformity with the requirements of the RFQ/P. Port staff submitted additional questions to the developers to further clarify their proposals. Each team's qualifications and experience to develop and operate the Project

and their proposals were evaluated in light of the selection criteria outlined in the RFQ/P. Based on this review, Port staff has concluded that SFCT submitted responses that are most responsive to the RFQ/P, and therefore should be invited to enter into exclusive negotiations with the Port. Materials relied upon by Port staff in preparing this report consist of the proposals by the parties and subsequent written responses to questions, reports and evaluations by EPS, HVS and Port staff, letters, public testimony and minutes of the Bryant Street Pier Advisory Groups and the Rincon Point South Beach CAC, and minutes of BCDC. All of these materials have been made available to the Port Commission for its review.

This section outlines factors considered by Port staff in its review of the responses.

1. The criteria used in evaluating the responses in Phase I, above, updated to reflect revisions or supplements to the Phase 1 submittals.

Development Team experience and ability

LCOR has significant experience with major mixed use projects, including projects in urban and suburban settings. Many examples were given, including the $125 million Green Tree Village in Marlton, New Jersey, which includes more than 1.5 million square feet of office, industrial and retail space and 780 housing units. Other examples include build to suit office buildings for major government and business institutions in Philadelphia, Chicago, Washington D.C., New York City and on the waterfront in Jersey City. A joint venture comprised of LCOR, Schipol USA and Lehman Brothers was recently awarded the $1 billion renovation, expansion and operation of the International Arrivals Terminal at JFK Airport in New York.

LCOR's submittals indicate significant properties (owned and third party) under management. Their materials also indicate that LCOR has expertise in the area of marketing. However properties under LCOR management appear primarily to be offices and residential projects. None of these properties appear to include cruise terminals, hotels or convention centers or significant waterfront entertainment and retail venues.

P&O, one of the largest cruise line operators in the world, owns multiple cruise lines, including Princess Cruises, and has developed over 20 million square feet of office, high tech, industrial, leisure and retail space in the UK. However, P&O's role here appears to be limited to cruise terminal operations. In this regard, P & O has extensive maritime management and operation experience, including cruise, cargo, ferries and other operations. P&O owns Earl's Court and Olympia Limited, two of London's premier exhibition centers. However, LCOR has indicated that LCOR, Harrison Conference Center, ITO and Network Conference Center will all be involved in programming and operate the cruise terminal for non-cruise events. Harrison operates executive, university and corporate conference centers for major U.S. companies. Network Conference Center operates several high technology oriented conference centers in Silicon Valley and a waterfront hotel and conference center. ITO operates in 17 ports on the Atlantic and Gulf Coasts, including Baltimore, Miami and Gulfport. ITO also is the exclusive operator of the New York City Passenger Ship Terminal.

SFCT's Lend Lease has a proven track record in mixed use projects in urban and waterfront locations, most of which is international (e.g. the $650 million Darling Park and Cockle Bay Wharf in Sydney, Australia and the $198 million Sunshine Plaza Shopping Center in Queensland, Australia and some of which is still in the planning stage). Lend Lease's experience includes projects with extensive outdoor oriented entertainment, retail and restaurant venues. Other experience includes project management and construction for redevelopment of Sydney's International Airport to facilitate the Sydney 2000 Olympic Games, a $528 million residential, office and retail development on Sydney Harbor and the $277 million Fox Studios project in Sydney. In addition, Lend Lease is a development partner in the Sydney 2000 Olympic Village. Lend Lease also was project manager for the award winning Brisbane International Airport Terminal. Additional experience includes the $120 million redevelopment and expansion of the Fashion Valley retail center in San Diego. Lend Lease also controls many hotels.

Lend Lease also has over thirty years experience in the development, leasing and management of over 70 major retail centers around the world. Lend Lease owns and/or manages 2.5 million square feet of San Francisco real estate and Whitney Cressman has been involved in over $1 billion of transactions in San Francisco.

SFCT's team includes the PSA Corporation Ltd., which has developed cruise and ferry terminal facilities at the Singapore Cruise Center, one of the largest cruise terminals in the world, and is an experienced container terminal, cruise terminal and marine services operator, ferry terminal operator and event and exhibition manager in Asia. PSA's Maritime Square at the Harborfront, Singapore, is a $520 million mixed use waterfront project currently in the planning stages. PSA is also developing a new cruise terminal at Maritime Square

PSA has ongoing relationships with 32 cruise lines, owns and operates the Port of Singapore, and PSA Exhibitions Pty. Ltd., a subsidiary of PSA, organizes trade and consumer shows, exhibitions, conferences and events. PSA is the leading exhibition facilities manager in the Asian region and, since 1997, has been the manager of the Singapore Expo. PSA Exhibitions Pty. Ltd., a wholly-owned subsidiary, organizes trade and consumer shows, exhibits, seminars and events and has extensive relationships with conference and convention organizations throughout the world. CMT also will utilize its extensive network of maritime and governmental relationships to help market the terminal internationally.

Financial Capacity

LCOR's completed projects indicate the ability to obtain necessary funding and meet deadlines and budgets for major projects. Lehman Brothers, an investment banking firm with experience financing Port projects, and which has partnered with LCOR to finance other projects, has provided LCOR with a letter of interest to provide financing for the Project. In addition, letters of interest to provide equity have been received by LCOR from Promus Vacation Resorts, the Urban Growth Property Trust, Marriott, Duke Solutions (a part of Duke Energy), AFL-CIO Investment Trust and Mosbacher Properties Inc.

SFCT's completed projects indicate the ability to obtain necessary funding and to successfully complete the project. Their project descriptions indicate the ability to fund

substantial project costs entirely with equity, and to access debt if required. Bank One, Bank of America and Fleet financial have provided SFCT with letters of interest to provide financing for the Project. In addition, SFCT has access to financing through Lend Lease Real Estate Investments, and through the Lend Lease Commercial paper program.

Developer's organization, technical advisors and consultant team

LCOR's team of technical advisors and consultants appear to have experience on a wide variety of projects, including waterfront and port-related development. Most of these team members have experience working within San Francisco's complex, regulatory environment, and are well-known firms with strong reputations. LCOR has presented an organization chart that clearly identifies the development team and key staff members.

LCOR's submittals include numerous high quality developments with signature architecture. Team members Bermello, Ajamil and partners, Bovis Construction and Ben Gerwick, Inc. have demonstrated experience in the planning and design of maritime facilities, including piers, wharves, harbors and cruise terminals. Other team members with experience in design and development of hotels and time-share units are identified, including Kaplan McLaughlin Diaz, Promus Hotel Corp, Hilton Hotels, and Embassy Vacation Resorts/Grand Vacation.

SFCT has clearly identified the lines of responsibility within its team. SFCT has been formed as an LLC owned 50% by Lend Lease, 21.25% by PSA (USA), 21.25% by CMT and 7.5% by Whitney Cressman. The submittals indicate that the company is directed by a Member's Committee which provides strategic management and control, and a team of "Lead Negotiators" has been selected from the Member's Committee to negotiate during the Exclusive Negotiation period. An organization chart indicates the structure of the development management team, and many primary staff members have been identified.

SFCT's team includes technical advisors and consultants with excellent experience and qualifications and a strong local presence. The design team of SOM and the Jerde Partnership have extensive waterfront, hotel and mixed use development design experience. The SFCT team includes Gee and Jensen, an architecture and planning firm with extensive cruise terminal design and planning experience. SFCT also has assembled a consultant team with particular expertise in regulatory issues and obtaining government approvals.

Proposed outreach and approvals process

LCOR proposes a Program in Diversity to create an atmosphere conducive to participation by Minority, Women-Owned and Local Business Enterprises (MBE/WBE/LBE), addressing all stages of development from design and construction to maintenance and operation. LCOR's participation goals are, at a minimum, 20% MBE and 10% WBE for both the pre-construction and construction phases of the project. LCOR's team includes nearly 23% MBE/WBEs. LCOR will work in good faith with the Port and the Human Rights Commission to implement its Program in Diversity.

LCOR proposes a Community Outreach Plan with three components, including Interactive Community Input Directives, Maritime Core Activities/Research/Learning and Workforce Development Programs. While this process is ongoing, LCOR will implement a series of

formal "Citizen's Advisory Boards" that will be convened throughout the development process to solicit input and develop consensus from community representatives on areas from project design to environmental, traffic, safety, and waterfront access issues. LCOR has established a web site to allow for ongoing community input throughout the pre-development process.

SFCT's team includes nineteen MBE/WBEs to carry out various design and planning tasks for the Project. SFCT's participation goals are 20% MBE and 18% WBE for the Design phase, 31% MBE and 10% WBE for Construction, and 25.6% MBE, 6.9% WBE and 50% San Francisco Residents (craft by craft) for Employment. SFCT will work with the Port and the Human Rights Commission to develop a comprehensive Equal Opportunity Program that will also include leasing and employment goals for the operational phase of the Project.

SFCT proposes a Community Outreach Plan to ensure direct consultation with all the project stakeholders, including the Rincon Point-South Beach CAC, local residential and business community groups as well as peer groups such as SPUR and AIA. SFCT will submit a list of Project stakeholders for the Port's review. Some tools that may be employed to communicate with stakeholders include large and small group meetings, newsletters/bulletins, fact sheets, e-mail, a web site, periodic briefings and site tours. Multiple sessions will be held with the stakeholders during the 'Concept and Schematic Design', 'Preliminary Construction Documents' and the 'Final Design Documentation and Construction' phases of the Project. The Delancey Street Foundation will assist SFCT in community outreach and in integrating the Project into the existing fabric and the neighborhood.

2. **The Cruise Terminal proposal, including the design and layout of the Cruise Terminal and related facilities; the marketing plan for the Cruise Terminal; maintenance and management responsibility for the Cruise Terminal, including use of the Terminal for other purposes when not needed for cruise operations; the economic proposal and financial feasibility of the Cruise Terminal including proposed construction costs, sources of financing and operational costs; and other criteria deemed appropriate by the Port .**

LCOR's cruise terminal proposal generally is responsive to the Port's goals and objectives. As discussed below, however, there are shortcomings in the berth and apron designs. LCOR proposes two 1000 foot berths, one on the east face and one on the south face of the pier. However, narrow catwalks and mooring pads may not allow for full operational use. In addition, the San Francisco Bar Pilots expressed concerns about up to four hour delays at the south berth and possible problems navigating around proposed catwalks and mooring platforms due to tidal restrictions. LCOR has expressed their willingness to modify these elements of their proposal, but does not believe they are necessary.

LCOR's proposal provides good segregation of cruise and non-cruise functions and traffic patterns for vehicles and pedestrians appear well designed. LCOR's proposal includes sufficient baggage hall and working area to support two passenger vessels simultaneously, but does not include covered staging/storage area for ship stores.

LCOR's marketing plan appears to be highly responsive to the RFQ/P. LCOR proposes a collaborative approach with the Port of San Francisco and, based on team experience and business relationships, the Port expects LCOR's proposed outreach efforts to cruise lines to be highly responsive.

LCOR's maintenance and management plan is also highly responsive to the RFQ/P; however, the Port's role in terminal management is somewhat unclear.

The cruise terminal is a significant component of LCOR's overall development in terms of both size and cost and will serve as an anchor tenant enhancing the value of other uses. When the initial development cost is taken into account, however, the cruise terminal does not appear to be a financially feasible project on a stand alone basis and would require a cross subsidy from other project components. Consequently, there may be an incentive for the developer to downsize this component of the overall development program, especially if construction costs exceed expectations.

LCOR's estimates of revenues and expenses associated with the cruise terminal appear reasonable.

SFCT's cruise terminal proposal also generally is responsive to the Port's goals and objectives. As discussed below, however, there are potential shortcomings in the proposed baggage laydown and provision/storage areas.

SFCT proposes one 1000 foot and one 850 foot berth, on the east and the north faces of the pier respectively. The north berth, although not 1,000 feet, is expected to be adequate for current large range vessels, but larger future vessels would have to dock stern in to allow access to all the ship's side door ports. The basin between Pier 30-32 and Pier 28 is expected to be adequate to accommodate tugboats and bunker barges working outboard of the vessel. The San Francisco Bar Pilots expressed concern about up to four hour delays at the North Berth, due to tidal conditions, similar to those which would be experienced at LCOR's South Berth.

The distance of the southern end of the east berth from the terminal building could cause some inefficiencies. Passenger flow from vessels to the terminal appears inconvenient and the baggage laydown area appears to be quite distant from the likely gangway locations. The layout and spacing of the terminal appear to limit the ability to handle two homeport vessels working simultaneously. However, in response to follow up questions from the Port, SFCT has indicated that the baggage area could be expanded to 45,600 sq. ft. to allow two large cruise ships (6,000 passengers total) to disembark at the same time. This change would not affect SFCT's financial proposal to the Port. A covered staging/storage area for ship's stores is not provided.

SFCT's marketing plan appears to be highly responsive to objectives of the RFQ/P, although the Port's role in marketing is limited. Nevertheless, based on qualifications and experience of team members, Staff expects successful marketing of the Port as an international cruise destination and outreach efforts to cruise lines to be highly effective.

SFCT's maintenance and management plan is also highly responsive to the RFQ/P, although the Port's role in cruise terminal management needs further clarification.

SFCT's proposed cruise terminal is a significant component of the overall development in terms of both size and cost and will serve as an anchor tenant enhancing the value of other uses. When the initial development cost is taken into account, however, the cruise terminal does not appear to be a financially feasible project on a stand alone basis and would require a cross subsidy from other project components. Consequently, there may be an incentive for the developer to downsize this component of the overall development program in later phases of the development process.

There is some concern that SFCT's projected revenues from cruise terminal operations are somewhat optimistic.

3. Further refinement of the development concept, including: the nature of the proposed tenancies; the design and overall physical plan; the marketing plan; the achievement of the Project Goals and Objectives set forth in Section IV of the RFQ/P; the approach for promoting public trust objectives and complying with trust use restrictions; and other criteria deemed appropriate by the Port.

Nature of the Proposed Tenancies/Marketing Plan/Public Trust

LCOR proposes a significant amount of retail space (241,549 sq. ft.) much of which can be classified as "destination retail", primarily designed to attract demand from a wide-geographical area that includes tourists. Letters of interest have been obtained from national specialty merchandisers (REI, Off-Rodeo Drive, Armani, Tommy Hilfiger) and restaurants (California Café, Wolfgang Puck, Café Tu Tu Tango), some expressing interest in a "high-end factory outlet". Because of their market orientation, many of these uses will likely have to compete with the wide variety of existing destination retail centers in San Francisco and the greater Bay Area. In addition, although the "California Wine Experience" (24 letters of interest) component would take advantage of the unique attributes of Northern California, it is a specialized retail concept which also would require strong tourist and regional market support. Retail spaces on the Seawall Lot will focus on neighborhood serving retail and a health and fitness center. There is a concern that the amount and type of retail proposed is not compatible with the surrounding neighborhood.

The bulk of LCOR's proposed 307,501 sq. ft. office space has been reserved for a single non-maritime tenant. Although the San Francisco office market currently is very strong, in the long run LCOR's primary focus on a single, non-maritime tenant is considered a high-risk strategy from both a design and market perspective. In addition, such a use may not be acceptable under the public trust.

LCOR's proposal includes a marketing strategy, but has not specified project marketing for the full range proposed uses and the overall cost identified for this purpose may be low.

SFCT - At 176,400 square feet, the orientation of SFCT's retail mix appears designed to attract a more balanced combination of community, city and regional patrons at a more modest level of development intensity. Although some of the proposed retail categories are

regional and/or tourist oriented (e.g. DFS), many other identified retail categories are local serving and service oriented stores. The proposal includes letters of interest from Real Restaurants, DFS, Jamba Juice, Club One and Slanted Door. SFCT's proposal emphasizes neighborhood oriented retail on both the seawall lot and the pier (in combination with other uses.)

SFCT's proposed 300,000 square feet of office use constitutes a relatively significant component of the SFCT development program. Although in general the type of tenants anticipated is not clearly articulated, the proposal provides a number of letters of interest, including one from Gateway Container, a maritime-related use. The fact that these uses also will be combined under the "World Trade Center" designation also makes them more likely to be deemed permissible public trust uses.

The retail marketing plan is well developed and clearly specified, with a clear focus on serving specific market niches likely to succeed in combination and in the South Beach market. A similar breakdown does not exist for the office uses. However, the proposal has included and specified project marketing costs for each land use type, allocating a total of $17.6 million for this purpose.

Project Goals and Objectives

LCOR was responsive to the Project Goals and Objectives established in the RFQ/P.

SFCT was responsive to the Project Goals and Objectives established in the RFQ/P.

Design and overall physical plan

LCOR's proposal appears consistent with the Waterfront Plan.

LCOR's overall site concept is neighborhood friendly and includes extensive and well-designed and located open spaces. The Brannan Street, Bryant Street and Spear Street view corridors are extended out onto the pier. It stresses the importance of the connection between the Bay and the City and emphasizes public access, significant level of maritime activity and commerce.

With respect to parking, regulatory agencies are likely to favor LCOR's proposal to place the majority of project-related parking on land side sites, rather than on the pier.

SFCT's proposal appears very consistent with the Waterfront Plan. It stresses the importance of the connection between the Bay and the City and emphasizes public access, significant level of maritime activity and commerce and sensitivity to the surrounding commercial and residential areas. The design emphasizes the importance of maintaining the neighborhood scale, and providing neighborhood-enhancing retail, with an emphasis on innovative local retail concepts, among other uses.

The SFCT proposal extends the Brannan and Bryant Street view corridors onto the pier, and orients the major public feature, the cruise terminal and conference center building, towards

the Bay Bridge. The south facing town center and lagoon are very appealing, neighborhood oriented site concepts.

With respect to parking, the adjacent neighborhood is likely to favor SFCT's proposal to place the majority of the project's parking on the pier rather than the seawall lot, although this may be resisted by BCDC and the City Planning Department.

4. **The economic proposal to the Port, including: ground lease rent; participation rent/percentage rent; length of term; rent adjustments; maintenance and management responsibility for the Project; construction period rent; and other criteria deemed appropriate by the Port**

LCOR - As shown in **Appendix C,** LCOR offers construction period rent ($2.6 million) and a guaranteed base rent of approximately $2.4 million in its proposal to privately develop the entire project. LCOR also proposes CPI adjustments every 5 years, not to exceed 1% per year. The Port's share of sale proceeds would be 10%. The Port would also receive 25% of net income in excess of the current pro forma projections as "home run insurance".

Over the first twenty years of the Lease, LCOR is proposing to pay a total of approximately $41.8 million in rent to the Port in construction rent and guaranteed base rent. LCOR has indicated that the base rent could be affected by the size of the hotel. The net present value of the total projected rent to the Port is $18.1 million.

SFCT offers construction period rent of $1.5 million and a guaranteed base rent of approximately $950,000 in 2004. SFCT offers a 3% increase in the guarantee minimum rent every year for the first 5 years of the lease, and CPI adjustments thereafter. In response to questions for the Port, SFCT has indicated that the Port's share of sale proceeds is negotiable. SFCT has also indicated a willingness to negotiate a participation rent feature on the hotel portion of the Project.

SFCT also offers participation rent of 20% of net income after the developer has received a 12% return on cost.

Over the first twenty years of the Lease, SFCT is proposing to pay a total of approximately $58.8 million in rent to the Port; $1.5 million in construction rent, $21.3 million in guaranteed minimum rent and $36.0 million in participation rent. The net present value of the total projected rent stream is $19.6 million. (The base rent is discounted at 8% annually, and the participation rent at 12% annually to reflect the higher degree of risk associated with participation rent.)

5. **The feasibility of the Project, including: the project economics; the concurrence of key tenants with the concept; marketing program; timetable for development; evidence of the financing resources available to complete the Project ; other criteria deemed appropriate by the Port .**

LCOR - LCOR appears to have ample resources to complete the project, based on the financial strength of Lehman Brothers as a financial partner in the Project. Lehman Brothers had $5.4 billion in equity as of December 1998 and has credit ratings of A from Standard and

Poor's and A3 from Moody's Investor Services. In addition, other financially strong partners include Promus Hotel Corporation, Hilton Hotels, the Urban Property Trust, and the AFL-CIO Investment Trust.

Overall, LCOR's project economics appear viable. However, the achievement of the financial projections appears to depend on relatively aggressive assumptions regarding supportable commercial square footage and regional market draw. In addition, the retail orientation may meet with significant competition from regionally-drawing retail destinations in the Bay Area.

Although the LCOR proposal includes guaranteed base rent (and no participation rent), a number of risk factors could affect the developer's initial offer during the negotiation and due diligence process:

> Office revenues account for approximately 34% of net operating income in year 2005. Trust restrictions could preclude the type and amount of office included in the proposal.
>
> Retail revenues account for approximately 19% of total net operating income. Visitor-serving retail could be adversely affected by economic downturns and competition from other areas of the City and the Port.
>
> The achievement of the financial projections appear to depend on lower per unit cost estimates for office and terminal uses (see Table 4). Other elements of the development program could need modification if actual costs exceed estimates.
>
> If the Caltrans lot development does not proceed, or if LCOR does not receive development rights to that site, about 300 additional parking spaces could be relocated on the Seawall Lot by going down one additional level. LCOR indicated that the economics of the project would then need to be reassessed.
>
> LCOR has indicated that the size of the hotel will affect the amount of guaranteed rent.

There is a lack of evidence of financial backing and market support for LCOR's proposed live theater and three museums.

LCOR's project schedule appears generally reasonable.

Cruise operations revenue projections appear realistic and attainable.

SFCT has ample financial resources, featuring Lend Lease Development Inc. Lend Lease has a market capitalization of US $7 billion, a AA rating form Standard and Poor's Credit, and a rating of A3 from Moody's Investor Services. Total company equity was approximately US $2.1 billion as of June 98. In addition, Lend Lease has unused commercial paper availability of approximately US $324 million as of June 98. Other strong financial partners on the SFCT Team include PSA Incorporated and Chinese Maritime Transport, Inc.

Overall, SFCT's project economics appear to be viable.

SFCT seems to orient the retail more to local and regional retailers, thereby reducing potential market risks which could affect Port revenues. Projected cruise terminal revenue appears somewhat optimistic based on current and projected calls at Pier 35, particularly the number of calls and water cost.

Although SFCT's cost and revenue forecasts generally are conservative (except for the cruise terminal), the rent to the Port, particularly the Participation Rent, is subject to a number of risks:

> Office revenues account for approximately 34% of net operating income in year 2005. However, trust restrictions could preclude the type and amount of office included in the proposal. The World Trade Center orientation is a positive aspect of an approach to achieve public trust objectives.
>
> Increased development costs could adversely affect developer returns and reduce the rent paid to the Port. This concern is partially offset by SFCT's relatively conservative assumption regarding cruise terminal costs.

Strong evidence of market support for the six-screen independent theater is lacking. On the other hand, the live music/jazz venue potentially will capture local, regional and tourist patrons. The proposal also mentions the possibility of, and includes a letter of support for, an International Women's Museum.

SFCT's project schedule appears reasonable.

6. Other factors, including but not limited to understanding and demonstrated ability and flexibility necessary to obtain key approvals and community and user support in a complex political and regulatory environment

LCOR has identified a number of possible career, arts and public service oriented programs to be included in the development.

SFCT has received early and significant neighborhood support for its conceptual development program. The Delancey Street Foundation has joined the SFCT team as a community partner and the Rincon Point-South Beach Citizens Advisory Committee unanimously endorsed the SFCT proposal.

J. CONCLUSIONS

The following table summarizes the results of the ranking and evaluation.

Overall Summary of Ranking

	Ranking	
Criteria	**SFCT**	**LCOR**
Qualifications	1	2
Cruise Terminal	2	1
Development Concept	1	2
Economic Proposal	1	2
Feasibility	1	2
Community Support	1	2
Overall Ranking	1	2

1. Developer Qualifications

LCOR - Although the LCOR Team has demonstrated experience in significant urban and public sector developments, many projects cited by LCOR and Lehman Brothers, the controlling equity partner, are predominantly large, Class A office projects and build to suit projects for private and public sector clients, with ancillary commercial retail. Other large-scale mixed use projects are predominantly master-planned communities. No projects by the controlling equity partners indicated experience developing hotels or cruise terminals. Although the LCOR team has strong experience in cruise terminal operations and marketing at U.S. East and Gulf Coast ports, it has little experience on the West Coast and none in California.

SFCT has demonstrated experience in the development and operation of cruise terminals and significant mixed-use developments in urban and waterfront locations, as described in this report. SFCT has developed cruise terminals in Singapore and completed major mixed use waterfront developments in Singapore and Australia. SFCT has strong experience in development, operation and marketing of cruise terminals, including experience in California and San Francisco and other Pacific Rim ports. SFCT has assembled a strong consultant team and has clearly demonstrated the ability to finance a project of this size and type.

On this basis, SFCT was rated more favorably.

2. Cruise Terminal

Both terminals have been judged to be acceptable. **LCOR's** cruise terminal was judged to be more responsive to the Port's objectives. LCOR was also more realistic in its projected revenues from cruise operations.

On this basis, LCOR was rated more favorably.

Port staff recommends that **SFCT** work to address some of the major concerns regarding their proposed terminal, including baggage handling areas.

3. Development Concept

SFCT's retail concept includes less retail and conference center square footage, and seems to include more typical neighborhood oriented retail uses. The office proposal seems more appropriate and responsive to public trust objectives because of the World Trade Center.

LCOR's concept was responsive to the RFP, but included more retail and conference center space.

On this basis, SFCT was rated more favorably.

4. Economic Proposal

SFCT offered more total rent over the first twenty years of the Lease, and has proposed a CPI increase with no cap.

LCOR offered a higher guaranteed minimum rent, but has stated that this would be affected by the size of the hotel.

On this basis, SFCT was rated more favorably.

5. Feasibility, Risk to the Port

SFCT – The major risk to the Port associated with the SFCT proposal is that the Port's participation rent could be affected by either increased costs or lower than projected revenues, under the proposed structure for sharing in net income after a return to the developer on cost.

LCOR – The major risk to the Port associated with the LOCR proposal is that the size of the hotel and the exclusion of the Caltrans lot will affect the amount of guaranteed rent and the size of the cruise terminal building.

There is a lower amount of risk associated with the SFCT proposal in terms of market acceptability of the retail program, and, to a lesser degree, regulatory approval of the World Trade Center office leasing program. Port staff believes that the most likely scenario is that the Project will achieve the projected levels of market support and income, in which case the SFCT proposal is more beneficial to the Port.

On this basis, SFCT was rated more favorably.

6. Other Factors

LCOR was responsive to the community and proposed to undertake extensive community outreach.

SFCT - There is very strong community support for SFCT's proposal. The Rincon Point - South Beach CAC has unanimously endorsed SFCT. Neighboring property owner (Bayside

Village – Forest City/General Atlantic) has expressed preference for SFCT. Delancey Street Foundation has joined Lend Lease's team as a community based partner.

On this basis, SFCT was rated more favorably.

Overall Conclusions and Basis for Recommendation

On an overall basis, staff recommends entering exclusive negotiations with SFCT based on the following key factors:

- SFCT's proposal includes less retail and other square footage, which better respects and complements the existing South Beach neighborhood and which is potentially more feasible and less risky from a market standpoint.

- SFCT's office proposal may be more likely to be consistent with the public trust.

- Under the most likely scenario, the SFCT proposal offers the Port a greater amount of rent over the first twenty years of the lease.

- While both LCOR and SFCT were responsive to the community, SFCT received unanimous endorsement by the Rincon Point – South Beach Citizen's Advisory Committee.

- While both SFCT and LCOR are highly experienced development teams, SFCT has more directly comparable experience, including the Singapore Cruise Center, Darling Park and Cockle Bay Wharf.

K. Exclusive Negotiations

As set forth in the RFQ/P, if the Port Commission decides to enter into exclusive negotiations with one developer, then a $100,000 non-refundable fee (in addition to the earnest money fee paid with qualifications and conceptual proposals) will be paid to the Port by the selected developer. The developer and the Port will sign an Exclusive Right to Negotiate agreement, which will cover the respective responsibilities and obligations that will exist during the six-month period of exclusive negotiations, and will set forth the Port's commitment to not enter negotiations concerning the Project site with any other party during the period of exclusive negotiations.

The Exclusive Right to Negotiate will provide for one option to extend for six months, and the fee for extending will be $50,000, payable in advance and non-refundable. The fee for extending will be waived if the parties have been unable to execute a development agreement and ground lease prior to the expiration of the original term due solely to the inability of the Planning Department, Office of Environmental Review ("OER") to complete the environmental evaluation within the original six-month negotiation period. The $50,000 option fee will be applied to rent due under the ground lease.

The Exclusive Right to Negotiate will provide for one additional option to extend for six months if the Port has been unable to take final action on the project prior to the expiration of

the preceding option period due solely to the inability of OER to complete the environmental evaluation within the preceding option period. No option fee will be required for this second option period. The Exclusive Right to Negotiate may be terminable by the Port at stated periods if the developer has not met certain benchmarks to be set forth in the Exclusive Right to Negotiate.

During the exclusive negotiation period, the parties will accomplish the following:

1. draft development documents, memorandums and management agreements, if applicable, will be negotiated in a form approved by the San Francisco City Attorney, which will include but not be limited to, the Port and developer responsibilities, economic parameters, development standards and requirements, and performance benchmarks and schedules;

2. the developer will seek to obtain preliminary sublease commitments (e.g., letters of intent) from the proposed major users of the development during this period;

3. the developer will be required to obtain financial commitments from lenders and/or equity participants during this period;

4. the developer will apply for, pay fees and fund consultants and provide information as necessary to complete required environmental review;

5. the developer will establish a schedule for any subsequent environmental review and regulatory approvals that may be necessary and shall initiate such reviews and approvals; and

6. the developer will complete its "due diligence" review of the Site, prepare financial projections, and complete preliminary development plans, including but not limited to floor plans, elevations and renderings.

A form of the Exclusive Right to Negotiate is attached to this memorandum as Exhibit A.

L. Recommendation

Port staff recommends that the Port Commission authorize staff to enter into exclusive negotiations with San Francisco Cruise Terminal LLC for the design and development of the Bryant Street Pier Project on Pier 30-32 and Seawall Lot 330, based on the level of responsiveness to the objectives for the Project, and specific previous experience and qualifications for a project of this type.

Prepared by: Anne Cook
Manager, Waterfront Development Projects

Carla Bagneschi
Planner II

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-03

WHEREAS, Charter Section 3.581 grants to the Port Commission the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port jurisdiction; and

WHEREAS, under Charter Section B3.581(g) leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and

WHEREAS, the Port Commission, by Resolution No 99-36, on May 25, 1999 authorized Port staff to issue a request for qualifications and proposals ("RFQ/P") for design and development of a first-class "James R. Herman International Cruise Terminal" and mixed-use development at Piers 30-32 and Seawall Lot 330 (together, the "Bryant Street Pier Project"); and

WHEREAS, on June 4, 1999, the Port issued an RFQ/P to design and develop the Bryant Street Pier Project, provided extensive public notice by publication and mail, and distributed more than 240 copies of the RFQ/P to interested parties; and

WHEREAS, on July 26, 1999, Forest City Development ("Forest City"), LCOR San Francisco LLC ("LCOR"), San Francisco Cruise Terminal LLC ("SFCT") and Urbatec (together, "Developers") submitted responses to the RFQ/P; and

WHEREAS, Port staff reviewed and evaluated the responses and, based on these evaluations and an evaluation of responses prepared by the real estate economics and planning firm Economics and Planning Systems, and as set forth in the Memorandum to Port Commission dated August 19, 1999 for Agenda item 8B, recommended that Forest City, LCOR and SFCT be invited to submit proposals for design and development of the Bryant Street Pier Project; and

WHEREAS, The Port Commission under Resolution No. 99-68 (August 24, 1999) determined that Forest City, LCOR and SFCT met the qualifications requirements and invited the three Developers to submit proposals for the design and development of the Bryant Street Pier Project; and

WHEREAS, on September 3, 1999, Port staff issued the Request for Proposals ("RFP") for the Bryant St. Pier Project; and

WHEREAS, on September 22, 1999, Forest City informed the Port that it was withdrawing from the RFP process; and

WHEREAS, on October 28, 1999, LCOR and SFCT ("Respondents") submitted proposals for the Bryant Street Pier Project; and

WHEREAS, Respondents presented their proposals to the Port Commission on November 17, 1999, at which time the Commission also received comments from the general public; and

WHEREAS, additional public testimony was received through the Port Commission meetings on December 7 and December 16, 1999, a joint meeting of the Bryant Street Pier Project Advisory Group and the Rincon Point – South Beach Citizen's Advisory Committee (CAC) on December 6, 1999, a meeting of the Bryant Street Pier Project Advisory Group on December 15, 1999, a meeting of the Rincon Point – South Beach CAC on December 20, 1999, and numerous letters received by the Port; and

WHEREAS, Port staff requested and the Respondents provided additional information regarding their proposals, both in writing and in interviews; and

WHEREAS, the Port Commission has reviewed and evaluated the Respondents and their responses, including requested additional information, the interviews with Port staff, the analyses of economic, design and planning and land use parameters prepared by Port staff and EPS (the Port's real estate economics and planning consultant), and has reviewed the Port staff recommendation set forth in the Memorandum to Port Commissioners dated January 7, 2000, for Agenda Item 8A, and has determined that SFCT best meets the qualification requirements for design and development of the Bryant Street Pier Project; now therefore, be it

RESOLVED, that the Port Commission hereby awards SFCT the opportunity to enter into an Exclusive Right to Negotiate agreement with the Port to design and develop the Bryant Street Pier Project; and be it further

RESOLVED, that the Port Commission hereby authorizes the Executive Director of the Port, or his designee, to execute an Exclusive Right to Negotiate agreement and incorporating the economic parameters outlined in the January 7, 2000 Memorandum for Agenda Item 8A for the January 11, 2000 Port Commission meeting and substantially in the form attached as Exhibit A thereto, a copy of which is on file with the Port Commission Secretary, with the understanding that the final terms and conditions of the Lease and related documents negotiated between SFCT and Port staff during the Exclusive Negotiation Period will be subject to the approval of the Port Commission; and be it further

RESOLVED, that the Port Commission reserves the right, if the negotiations with SFCT are unsuccessful and do not lead to approval of a Lease and related documents, to select the other Respondent based on the proposal submitted, other information and conditions at that time, or to undertake other efforts including

but not limited to issuing a new Request for Qualifications and Proposals, at the Commission's sole discretion; and be it further

RESOLVED, that the Port Commission will not act to approve a Lease or related documents until any subsequent environmental review under the California Environmental Quality Act (CEQA) has been completed and considered by the Port Commission.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 11, 2000.

_____

Secretary

APPENDICE

Appendix A: **Summary of Development Teams**

Appendix B: **Space Summary**

Appendix C: **Comparison of Development Programs**

Appendix D: **Exclusive Right to Negotiate**

Appendix A: Summary of Development Teams

1. LCOR San Francisco LLC

Development Entity:	LCOR San Francisco LLC
Project Developer:	LCOR San Francisco LLC
Financing:	Lehman Brothers LCOR, Public/Private, Inc. AFL-CIO Urban Growth Property Trust
Cruise Terminal Operator:	Peninsular & Orient (P & O)
Terminal Stevedore:	International Terminal Operating Company (ITO) (a subsidiary of P & O)
Hotel Operator:	Hilton Hotel Corporation
Timeshare Operator:	Embassy Vacation Resorts/Grand Vacation Co.
Conference Center Operator:	Promus Hotel Corporation/Harrison Conference Operator/Network Conference Co.
Parking Operator:	Urban Growth Property Trust/Inter Park
General Contractor (Pier 30-32):	Bovis Construction
General Contractor (Seawall Lot):	Huber, Hunt & Nichols
Water Transit Developer:	AeroSea Corporation
Water Transit Operator:	Blue & Gold Fleet
Architecture:	
Site Planner and Terminal	Bermello Ajamil & Partners
Hospitality & Retail	Kaplan McLaughlin Diaz
Environmental	Tong C. Cheung Architects, Inc.
Landscape	BMS Design Group
Engineering:	
Civil/Infrastructure	Moffatt & Nichol Engineers
Consulting	Ove Arup & Partners
Marine	Ben C. Gerwick, Inc.
Traffic/Transportation	Wilbur Smith Associates

Geotechnical	Geo/Resource Consultants
Structural	Soha Engineers (Seawall Lot 330)
Mechanical/Electrical	Takahashi
Structural	Ingraham-Dejesse Associates

Legal Counsel:

Land Use	Morrison & Foerster
Entitlement/Permit	Gladstone & Vettel
Community	James W. Haas, Esq.
Federal Legislative	The Washington Group
State Legislative	Nossaman, Guthner, Knox & Elliott

Community Relations:	Barnes Clarke & Associates
Environmental:	Public Affairs Management
Parking Consultant:	Carl Walker, Inc.
Energy:	Duke Solutions
Leasing Broker/Property Manager:	Colliers International
Marketing:	Sedway Group
Retail Tenant Consultant:	Siegal/Frand Partners
Graphic Designer:	3D Visions
Public Relations and Advertising:	Terry Pimsleur and Company

San Francisco Cruise Terminal LLC

Development Entity:	San Francisco Cruise Terminal LLC, includes: - Lend Lease Development (US) Inc. - Port of Singapore Authority (PSA) (USA) Inc. - Chinese Maritime Transport, Ltd. - Whitney Cressman LLC
Project Developer:	Lend Lease
Financing:	Lend Lease
Cruise Terminal Development, Operating and Marketing:	PSA (USA) Inc. and Chinese Maritime Transport Ltd.
Terminal Stevedore:	Metropolitan Stevedoring Company
Leasing:	Whitney Cressman LLC
Hotel Operator:	Starwood Group
General Contractor:	Swinerton & Walberg
Legal Counsel:	
Corporate/General	Heller Ehrman White & McAuliffe
Entitlements	Sheppard Mullin Richter & Hampton
Public Relations:	Alfred Williams Consultancy
Community Based Partner:	Delancey Street Foundation
Architecture/Planning:	Skidmore Owings and Merrill LLP (Lead) The Jerde Partnership (Lead) Powell Polytech Lynn Simon
Cruise Terminal Design:	Gee & Jensen
Regulatory/Entitlement Process:	Patri Merker
Maritime Structural Engineering:	Cash and Associates (Lead) Structus
Environmental:	Environmental Science Associates (Lead) Duffey

	Ellington Orion Environmental Associates
Mechanical, Electrical, Fire Protection, Data, Telcommunications Engineering:	Glumac International (Lead) NBA Engineering F.W. Associates
Structural Design and Seismic Evaluation of Buildings:	Rutherford and Chekene (Lead – Pier) Middlebrook and Louie (Lead – Seawall Lot) Faye Bernstein
Geotechnical and Environmental Engineering:	Subsurface Consultants (Lead) Olvia Chen
Civil/Traffic/Survey:	Korve (Lead) Polytech CHS Consulting
Models:	Spangler Associates
Interiors:	Kai-Yee Woo/Delgado
Landscape:	Patricia O'Brien
Acoustics/AV:	Charles Salter
Lighting/Daylighting:	Horton-Lees
Graphics/Advertising:	Primo Angeli
Code:	Rolf Jensen & Associates
Disabled Access:	Kim Blackseth August Longo
Survey and Mapping:	Bik Wah International
Vertical Transportation:	Edgett/Williams
Reproduction:	Elite Reprographics
Community Relations:	Jane Winslow Consulting
Market Research:	PKF and ERA

APPENDIX B: SPACE SUMMARY

Table 1
Project Description
Piers 30/32 and Seawall Lot 330 Phase II Evaluation

	SFCT		LCOR	
	Size	Potential Tenants	Size	Potential Tenants
Cruise Terminal	125,000 sq.ft.		147,718 sq.ft.	
Retail		Slanted Door		Wolfgang Puck,
Dining	55,500 sq.ft.	Jamba Juice, DFS	50,487 sqft	Oakville Grocery,
Other	100,400 sq.ft.	ClubOne Fitness	172,903 sqft	Café TuTu, Chico's,
Seawall Retail	20,500 sq.ft.		18,159 sqft	Tommy Hilfiger, REI,
Subtotal	176,400		241,549	Armani, wine-related retail
Entertainment				
Theater/Cinema	20,000 sq.ft.	6-screen Art Cinema	43,674 sq.ft.	Live Performance Theater
Live Music/Jazz Venue	11,000 sq.ft.	Bill Graham Presents		
Museum	Not Specified		15,000 sq.ft.	SF Craft & Folk Art Museum,
Subtotal	31,000		58,674 sq.ft.	SF Museum, International Children's Museum
Office	300,000 sq.ft.	Gateway Container LoopNet, Gamesville	307,501 sqft	Looksmart New Media
Hotel				
Time Share	111 units	Starwood Hotel	168 units (2)	Hilton Hotel
Hotel	400 units	& Resorts	537 units	
Subtotal	511		705	
Conference/Event Center	70,000 sq.ft. (1)	Not identified	74,441 sq.ft.	Harrison/Network Conference Centers
Parking				
Pier	542 stalls		231 stalls	
Seawall	187 stalls		655 stalls	
Subtotal	729		886	

(1) 24,000 to 70,000 sq.ft. within cruise terminal; additional 12,000 sq.ft. in hotel.
(2) LCOR Option 1

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APPENDIX C: COMPARISON OF DEVELOPMENT PROGRAMS

Table 2: **Comparison of Rent Terms**

Table 3: **Comparison of Projected Rent**

Table 4: **Comparison of Development Program Revenues**

Table 5: **Comparison of Development Program Costs**

TABLE 3 -COMPARISON & PROJECTED RENT

SFCT

Year		Construction Period Rent	Base Rent	Participation Rent	Total
1	2001	181,930	0	0	181,930
2	2002	901,765	0	0	901,765
3	2003	448,440	480,378	758,359	1,687,177
4	2004		956,682	1,587,775	2,544,457
5	2005		985,383	1,643,475	2,628,858
6	2006		1,014,944	1,686,805	2,701,749
7	2007		1,045,393	1,735,005	2,780,398
8	2008		1,076,755	1,787,055	2,863,810
9	2009		1,109,057	1,840,667	2,949,724
10	2010		1,142,329	1,895,887	3,038,216
11	2011		1,176,599	1,952,763	3,129,362
12	2012		1,211,897	2,011,346	3,223,243
13	2013		1,248,254	2,084,895	3,333,149
14	2014		1,285,701	2,165,685	3,451,386
15	2015		1,324,272	2,249,810	3,574,082
16	2016		1,364,000	2,337,417	3,701,417
17	2017		1,404,920	2,428,658	3,833,578
18	2018		1,447,068	2,523,692	3,970,760
19	2019		1,490,480	2,622,686	4,113,166
20	2020		1,535,000	2,726,000	4,261,000
Total		1,532,135	21,299,112	36,037,980	58,869,227
NPV		$1,297,558	$8,455,785	$9,894,070	$19,647,413
Discount Rate		8%	8%	12%	

LCOR

Year		Construction Period Rent	Base Rent	Participation Rent	Total
1	2001	2,000,000	0		2,000,000
2	2002		0		0
3	2003	300,000	0		300,000
4	2004	300,000	0		300,000
5	2005		2,363,191		2,363,191
6	2006		2,375,007		2,375,007
7	2007		2,386,882		2,386,882
8	2008		2,398,816		2,398,816
9	2009		2,410,810		2,410,810
10	2010		2,422,865		2,422,865
11	2011		2,434,979		2,434,979
12	2012		2,447,154		2,447,154
13	2013		2,459,390		2,459,390
14	2014		2,471,686		2,471,686
15	2015		2,484,045		2,484,045
16	2016		2,496,465		2,496,465
17	2017		2,508,947		2,508,947
18	2018		2,521,492		2,521,492
19	2019		2,534,100		2,534,100
20	2020		2,546,770		2,546,770
Total		2,600,000	39,262,599		41,862,599
NPV		$2,347,203	$15,838,386		$18,185,589
Discount Rate		8%	8%		

Table 4
Comparison of Development Program: Costs
Piers 30/32 and Seawall Lot 330

Land Use	SFCT Size	SFCT Total Cost (1)	SFCT Cost/Unit	LCOR (2) Size	LCOR (2) Total Cost (1)	LCOR (2) Cost/Unit
Pier 30/32						
Retail						
Dining	55,500 sqft			50,487 sqft	$7,926,542	$157
Theater	31,000 sqft			43,674 sqft	$9,726,236	$223
Other	100,400 sqft			172,903 sqft	$29,273,168	$169
Subtotal	186,900	$36,968,972	$198	267,064	$46,925,946	$176
Office	300,000 sqft	$55,177,047	$184	307,501 sqft	$43,179,936	$140
Conference/Event Center	70,000 sqft	(part of cruise terminal)		74,441 sqft	$16,845,000	$226
Cruise Terminal	125,000	$44,345,993	$355	147,718 sqft	$29,333,569	$199
Other Project Components						
Pier Improvements	-	-	-	-	$35,552,358	
Roads/Utilities	-	-	-	-	$7,721,653	
On-Site Parking	542 stalls	$7,508,309	$13,853	231 stalls	$2,882,959	$12,480
Seawall Lot 330						
Retail	20,500 sqft	(included in hotel)		18,159 sqft	(included in hotel)	
Hotel						
Time Share	111 units	$28,505,944		168 units		
Hotel	400 units	$89,108,056		537 units		
Subtotal	511	$117,614,000	$174,380	705	$136,109,342	$193,063
On-Site Parking	187 stalls	$4,856,326	$25,970	655 stalls	$8,174,624	$12,480
Total		$266,470,647			$326,725,387	

(1) Excludes financing costs.
(2) Based on information provided in the LCOR cash-flow pro forma.

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Table 5
Comparison of Development Program: Revenues
Piers 30/32 and Seawall Lot 330 Phase II Evaluation

Land Use	SFCT (1) Size	SFCT (1) NOI in 2005 (2)	SFCT (1) Rental Rate Range	LCOR (1) Size	LCOR (1) NOI in 2005 (2)	LCOR (1) Rental Rate Range
Pier 30/32						
Retail/Entertainment						
Dining	55,500 sq.ft.			50,487 sq.ft.		
Theater	31,000 sq.ft.			43,674 sq.ft.		
Other	100,400 sq.ft.			172,903 sq.ft.		
Subtotal	186,900	$6,832,221	$22-$71	267,064	$9,162,928	$21-$40
Museum	Not Specified			10,244 sq.ft.	$153,660	$15
Office	300,000 sq.ft.	$12,694,038	$50	307,501 sq.ft.	$14,037,727	$50-$58
Conference/Event Center	70,000 sq.ft.			74,441 sq.ft.	$4,390,287	
Cruise Terminal	125,000 sq.ft.	$2,029,096		147,718 sq.ft.	$1,535,214	
On-Site Parking	542 stalls	$1,465,465		231 stalls	$341,965	
Naming Rights					$500,000	
Seawall Lot 330						
Retail	20,500 sq.ft.	(included in Pier 30/32)		18,159 sq.ft.	$530,887	
Hotel						
Time Share	111 units	$3,086,845		168 units	$4,824,000	
Hotel	400 units	$11,080,692	$225	537 units	$15,142,330	$209
Subtotal	511	$14,167,537		705	$19,966,330	
On-Site Parking	187 stalls	$505,613		655 stalls	$1,222,264	
Total		$37,693,970			$51,841,262	

(1) Based on information provided in the LCOR and SFCT cash-flow pro formas.
(2) Net Operating Income in the year 2005, excluding rent to Port.

APPENDIX D

FORM OF EXCLUSIVE RIGHT TO NEGOTIATE

EXCLUSIVE RIGHT TO NEGOTIATE
BRYANT STREET PIER PROJECT

THIS EXCLUSIVE RIGHT TO NEGOTIATE ("Exclusive Right") is entered into as of this _____ day of January, 2000, by and between the **City and County of San Francisco** ("City"), **acting by and through its Port Commission** ("Port"), and **San Francisco Cruise Terminal LLC**, a California limited liability company ("Developer") upon the following facts, intentions and understandings of the parties:

A. By a Request for Qualifications and Proposals ("RFQ/P"), dated June 4, 1999, the Port solicited submittals of interest and qualifications from qualified parties for the design and development of a first-class "James R. Herman International Cruise Terminal" and mixed-use development at Piers 30-32 and Seawall Lot 330 (together, the "Site"). Submittal of Qualifications were received on July 26, 1999, and proposals were received on September 15, 1998, and the Port Commission awarded Developer the opportunity to enter into exclusive negotiations with the Port at its meeting of January 11, 2000, by Resolution No. _____.

B. The parties now desire to enter into this Exclusive Right to Negotiate to set forth the terms and conditions upon which Port and Developer will enter into lease negotiations and seek to complete a written lease disposition and development agreement, lease document, and such other documents as are necessary to effect the development and lease of the Site (collectively, "Lease") for Port Commission approval.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Term**. The initial term of this Exclusive Right will be for six months, and will commence on January 18, 2000, and will expire on July 17, 2000, unless extended in accordance with Section 3 below. The term of this Exclusive Right, including any extensions, is hereinafter referred to as the "Exclusive Negotiation Period". During the Exclusive Negotiation Period, the Port will not solicit or consider any other proposals or negotiate with any other developer with respect to the development of the Site. Notwithstanding the foregoing, in the event of a legal action or protest relating to the RFQ/P process, the term of this Exclusive Right and any extensions granted under Section 3 hereunder, shall automatically be extended by the time period to which the Port's ability to enter into negotiations or into a binding Development Agreement and/or Lease are prevented or delayed by such legal action or protest.

2. **Negotiating Fee**. Developer shall pay to Port a lump sum by cash payment in the amount of One Hundred Thousand and No/100 Dollars ($100,000.00), receipt of which Port hereby acknowledges. The $100,000.00 payment is in consideration for the right to negotiate exclusively with the Port for the Site during the Exclusive Negotiation Period, and is non-refundable whether or not the parties enter into a final Development Agreement and Lease. This is in addition to the deposit in the amount

of One Hundred Thousand and No/100 Dollars ($100,000.00) which the Developer has already paid to the Port as earnest money along with Qualifications.

3. **Extension of Negotiating Period**.

a. First Option Period. Developer shall have two six (6) month options (each, an "Option Period") to extend the Exclusive Negotiation Period, commencing on July 18, 2000. Developer shall exercise the first Option Period by written notice of the exercise of the option delivered with a cash, check or money order payment of Fifty Thousand Dollars ($50,000.00) (the "Option Payment") to Port at the address for notice set forth in Paragraph 10 below, prior to the commencement of the first Option Period. If, prior to the expiration of the original term of this Exclusive Right, the parties have been unable to execute a Development Agreement with form of a Lease attached (1) due solely to the failure of the San Francisco Department of City Planning Major Environmental Assessment ("MEA") to complete its environmental evaluation in time for approval of a Lease, (2) due solely to acts or omission of Port or City beyond the control of Developer, or (3) due solely to the failure of the Port Commission or Board of Supervisors to take action on a form of Development Agreement and Lease agreed upon by Developer and Port staff, Port shall waive its rights to the Option Payment. This waiver shall not apply if Developer creates or contributes to a delay, including, without limitation, its failure to comply with requests for information or other MEA requirements, or its failure to diligently cooperate with negotiations in good faith.

b. Second Option Period. If at the end of the first Option Period, the parties have been unable to execute a Development Agreement with form of a Lease attached (1) due solely to the failure of the San Francisco Department of City Planning Major Environmental Assessment ("MEA") to complete its environmental evaluation in time for approval of a Lease, (2) due solely to acts or omission of Port or City beyond the control of Developer, or (3) due solely to the failure of the Port Commission or Board of Supervisors to take action on a form of Development Agreement and Lease agreed upon by Developer and Port staff, then Developer shall have the right to exercise a second six month Option Period commencing on January 18, 2001. Notwithstanding the foregoing, Developer shall not have the ability to exercise the second Option Period if Developer has created or contributed to a delay, including, without limitation, its failure to comply with requests for information or other MEA requirements, or its failure to diligently cooperate with negotiations in good faith. Developer shall exercise the second Option Period by written notice of the exercise of the option to Port at the address for notice set forth in Paragraph 10 below, prior to the commencement of the second Option Period. The second Option Period shall not be subject to an Option Payment.

c. Termination During Option Periods. Notwithstanding the foregoing, Port may, at its option, terminate this Exclusive Right during either Option Period upon 30 days' prior written notice, if Port reasonably determines that the parties will be unable to reach agreement on the material business terms for a Lease by the end of the applicable Option Period, and the parties remain unable to reach agreement on such material business terms, or otherwise extend the negotiating period in each parties' sole discretion, within 30 days after the date of Port's notice.

d. Option Payment Non-Refundable. Each Option Payment shall be non-refundable. Developer's failure to exercise the first Option Period in accordance with this paragraph 3 shall extinguish all future Option Periods and shall terminate this Exclusive Right as of the last date of the Exclusive Negotiation Period or the applicable Option Period.

4. **Negotiation of Lease**.

a. Negotiation of Lease. During the Exclusive Negotiation Period, Port and Developer shall diligently meet, negotiate in good faith, and seek to complete a Lease for the Site in a form approved by the San Francisco City Attorney, incorporating specific terms including without limitation the Port's and Developer's responsibilities, the economic parameters, development standards and requirements, and a performance schedule. The Lease will be subject to Port Commission and Board of Supervisors approval. Although the parties have yet to discuss and agree upon the basic terms for the Lease, the parties are entering into this Exclusive Right to Negotiate based upon certain underlying principles and understandings developed through the RFQ/P process, as set forth in the Proposal submitted to the Port by Developer on July 26, 1999, subsequent letters from Developer in response to Port inquiries, dated _____, and the interview of _____, 1999 (collectively, the "Proposal"). The parties shall negotiate the Lease in substantial conformity with the Proposal; provided, however, such terms are subject to change by mutual agreement of the parties. The parties acknowledge that the terms of the Proposal merely purport to set forth general principles upon which the parties have agreed; any binding Lease shall be subject to review and approval by the parties, their respective legal counsel, the San Francisco Port Commission, and the Board of Supervisors.

b. Final Action Subject to Environmental Review. The Port will not enter into any final Lease for the project which will allow for its development until there has been complete compliance with the California Environmental Quality Act (CEQA). The Port intends, through exclusive negotiations, to identify the actions and activities that would be necessary to develop the Site and thereby facilitate meaningful environmental review. If the project is found to cause significant adverse impacts that have not been mitigated, the Port retains absolute discretion to: (1) modify the project to mitigate significant adverse environmental impacts, (2) select feasible alternatives which avoid significant adverse impacts of the proposed project, (3) reject the project as proposed if the economic and social benefits of the project do not outweigh otherwise unavoidable significant adverse impacts of the project, or (4) approve the proposed project upon a finding that the economic and social benefits of the project outweigh otherwise unavoidable significant adverse impacts of the project.

5. **Regulatory Approvals, Submittals, and Disclosures.**

a. Regulatory Approvals. The parties acknowledge that certain regulatory approvals are required for the development of the Project, including, but not limited to, all necessary approvals from the Bay Conservation and Development Commission ("BCDC"), Planning Commission, and MEA pursuant to CEQA, and that the project uses must be consistent with the Burton Act and public trust as determined by the Port Commission and, on an advisory basis, the State Lands Commission (collectively, Regulatory Approvals"). As described in paragraph 4 above, environmental review by MEA shall be completed prior to the approval of any Lease by the Port or the Board. The effectiveness of any such Lease shall be conditioned upon Developer obtaining all other Regulatory Approvals subsequent to the Port Commission's approval of any such Lease.

b. Developer's Obligations. Except as provided in subsection 5.c below, Developer agrees:

(1) It shall diligently and in good faith pursue all Regulatory Approvals;

(2) It shall be solely responsible for applying for and obtaining all Regulatory Approvals, and Developer shall not seek any Regulatory Approval without first obtaining the approval of Port;

(3) It shall bear all costs associated with or complying with any necessary Regulatory Approval;

(4) It will pay and discharge any fines or penalties imposed as a result of the failure of Developer to comply with the terms and conditions of any Regulatory Approval, and Port shall have no liability, monetary or otherwise, for said fines and penalties.

(5) To the fullest extent permitted by law, Developer agrees to indemnify and hold City, Port and their officers, agents and employees harmless from and against any loss, expense, cost, damage, attorneys' fees, penalties, claims or liabilities which City or Port may incur as a result of Developer's failure to obtain or comply with the terms and conditions of any Regulatory Approval.

(6) It will undertake and complete its "due diligence" review of the Site, prepare financial projections, and complete preliminary development plans for the Site, including, but not limited to floor plans, elevations, and renderings.

(7) It will pursue and obtain letters of intent, or other assurances, reasonably evidencing Developer's ability to attract subtenants necessary to meet the Port's requirements set forth in the RFQ/P.

(8) It will be required to obtain financial commitments from lenders and/or equity participants to fully fund the costs of development.

(9) It will submit to Port, MEA, BCDC and any other regulatory agency having approval over the project, all specifications, descriptive information, studies, reports, disclosures and any other information required to satisfy the application filing requirements of those agencies.

(10) It will establish a schedule for any subsequent environmental review and regulatory approvals that may be necessary and shall initiate such reviews and approvals at its sole cost.

c. Port's Obligations. Port agrees that it will cooperate with Developer in filing for, processing and obtaining all Regulatory Approvals, and to the extent required by any regulatory agency issuing a Regulatory Approval, it will join with Developer as co-applicant in filing, processing and obtaining all Regulatory Approvals necessary for the development of the Site. Nothing contained herein shall be deemed to limit or otherwise constrain Port's discretion, powers and duties as a regulatory agency of the City with certain police powers.

6. **Non-Assignment.** The parties acknowledge that Port is entering into this Exclusive Right on the basis of the special skills, capabilities and experience of Developer. This Exclusive Right is personal to Developer and is non-assignable without the prior written consent of Port, which may be withheld in Port's sole discretion. Any attempted assignment of this Exclusive Right, or the

dissolution, merger, consolidation or other reorganization of Developer or any cumulative or aggregate sale, transfer, assignment or hypothecation of more than 50% of the total capital stock of Developer shall, at the Port's option, be considered an event of default under this Exclusive Right and, upon Port's notice to Developer, shall immediately and without opportunity to cure give rise to Port's remedies provided in Section 7 hereof.

7. Default.

a. Event of Default. The occurrence of any of the following shall constitute a default by Developer after notice of the default and the expiration of the applicable cure period, if any:

(1) Failure to pay any sums due hereunder when due.

(2) Failure to perform or abide by any other provision of this Exclusive Right if such failure is not cured within twenty (20) days after notice has been given to Developer. If the default cannot reasonably be cured within 20 days, Developer shall not be in default of this Exclusive Right if Developer commences to cure the default within the 20-day period and diligently and in good faith continues to cure the default.

(3) Either (i) the filing by Developer of a petition to have Developer adjudicated insolvent and unable to pay its debts as they mature or a petition for reorganization or arrangement under any bankruptcy or insolvency law, or a general assignment by Developer for the benefit of creditors; or (ii) the filing by or against Developer of any action seeking reorganization, arrangement, liquidation, or other relief under any law relating to bankruptcy, insolvency, or reorganization or seeking appointment of a trustee, receiver, or liquidator of Developer or of any substantial part of Developer's assets.

b. Port's Remedies. In the event of default, Port, at its option, may terminate this Exclusive Right upon written notice to Developer, sent in accordance with Section 9 below. This remedy is not exclusive, but shall be cumulative with any remedies now or later allowed by law.

8. Attorneys Fees. In the event of any action or proceedings at law or in equity between the Port and Developer to enforce any provision of this offer to protect or establish any right or remedy of either party to this agreement, the unsuccessful party to such litigation shall pay to the prevailing party all costs and expenses as determined by the court, including reasonable attorney's fees, incurred therein by such prevailing party; and if such prevailing party shall recover judgment in any such action or proceeding, such costs, expenses and attorney's fees shall be included in and as a part of such judgment. For purposes of this Exclusive Right, reasonable fees of attorneys of the Office of City Attorney shall be based on the fees regularly charged by private attorneys with an equivalent number of years of professional experience (calculated by reference to earliest year of admission to the Bar of any State) who practice in the City in law firms with approximately the same number of attorneys as employed by the Office of City Attorney.

9. Notices. Any notice given under this Exclusive Right shall be in writing and given by delivering the notice in person, by commercial courier or by sending it by registered or certified

mail, or Express Mail, return receipt requested, with postage prepaid, to the mailing address listed below or any other address notice of which is given. For the convenience of the parties, copies of notices may also be given by telefacsimile, to the telephone number listed below or such other numbers as may be provided from time to time.

Port: Director, Planning & Development
Port of San Francisco
Room 3100, Ferry Building
San Francisco, CA 94111
Telefacsimile: (415) 274-0495
Telephone: (415) 274-0546

Developer :

Any mailing address or telefacsimile number may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days prior to the effective date of the change. All notices under this Exclusive Right shall be deemed given, received, made or communicated on the date personal receipt actually occurs or, if mailed, on the delivery date or attempted delivery date shown on the return receipt. A person may not give official or binding notice by telefacsimile. The effective time of a notice shall not be affected by the receipt, original, of a telefacsimile copy of the notice.

10. City Requirements

a. MacBride Principles-Northern Ireland. City urges companies doing business in Northern Ireland to move towards resolving employment inequities and encourages such companies to abide by the MacBride Principles. City urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

b. Tropical Hardwood/Virgin Redwood Ban. City urges Developer not to import, purchase, obtain, or use for any purpose, any tropical hardwood or tropical hardwood wood product, or any virgin redwood or virgin redwood wood product.

c. Burma (Myanmar) Business Prohibition. Developer is not the government of Burma (Myanmar), a person or business entity organized under the laws of Burma (Myanmar) or a prohibited person or entity as defined in Section 12J.2(G) of the San Francisco Administrative Code. The Port reserves the right to terminate this Exclusive Right for default if the Developer violates the terms of this section.

11. Miscellaneous Provisions.

a. California Law. This Exclusive Right shall be construed and interpreted in accordance with the Laws of the State of California and City's Charter.

b. Entire Agreement. This Exclusive Right contains all of the representations and the entire agreement between the parties with respect to the subject matter of this agreement. Any prior

correspondence, memoranda, agreements, warranties, or written or oral representations relating to such subject matter are superseded in total by this Exclusive Right. No prior drafts of this Exclusive Right or changes from those drafts to the executed version of this Exclusive Right shall be introduced as evidence in any litigation or other dispute resolution proceeding by any party or other person, and no court or other body should consider those drafts in interpreting this Exclusive Right.

c. Amendments. No amendment of this Exclusive Right or any part thereof shall be valid unless it is in writing and signed by all of the parties hereto.

d. Severability. Except as is otherwise specifically provided for in this Exclusive Right , invalidation of any provision of this Exclusive Right, or of its application to any person, by judgment or court order, shall not affect any other provision of this Exclusive Right or its application to any other person or circumstance, and the remaining portions of this Exclusive Right shall continue in full force and effect, unless enforcement of this Exclusive Right as invalidated would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the purposes of this Exclusive Right.

e. No Party Drafter; Captions. The provisions of this Exclusive Right shall be construed as a whole according to their common meaning and not strictly for or against any party in order to achieve the objectives and purposes of the parties. Any caption preceding the text of any section, paragraph or subsection or in the table of contents is included only for convenience of reference and shall be disregarded in the construction and interpretation of this Exclusive Right.

f. Singular, Plural, Gender. Whenever required by the context, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine or neuter genders, and vice versa.

g. Authority. If Developer signs as a corporation or a partnership, each of the persons executing this Exclusive Right on behalf of Developer does hereby covenant and warrant that Developer is a duly authorized and existing entity, that Developer has and is qualified to do business in California, that Developer has full right and authority to enter into this Exclusive Right, and that each and all of the persons signing on behalf of Developer are authorized to do so. Upon Port's request, Developer shall provide Port with evidence reasonably satisfactory to Port confirming the foregoing representations and warranties.

h. Waiver. No failure by Port to insist upon the strict performance of any obligation of Developer under this Exclusive Right or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, and no acceptance of full or partial Rent during the continuance of any such breach shall constitute a waiver of such breach or of Port's rights to demand strict compliance with such term, covenant or condition. Port's consent to or approval of any act by Developer requiring Port's consent or approval shall not be deemed to waive or render unnecessary Port's consent to or approval of any subsequent act by Developer. Any waiver by Port of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Exclusive Right.

i. Time is of the Essence. Time is of the essence of each provision of this Exclusive Right.

WHEREFORE, this Exclusive Right to Negotiate was executed by the parties hereto on the date set forth below.

"Port"	**"Developer"**
CITY AND COUNTY OF SAN FRANCISCO, acting by and through its Port Commission	**San Francisco Cruise Terminal LLC, a California limited liability company**
_____	_____
By: Douglas F. Wong Executive Director	By: Title:
Dated:_____	Dated:_____

Port Commission Resolution No. _____

Approved as to Form:
LOUISE H. RENNE
City Attorney

By:_____
Neil H. Sekhri
Deputy City Attorney

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

January 6, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to enter into a contract with the consultant team led by Bay Area Economics to evaluate proposals received in response to the Request for Proposals for a San Francisco Bay / maritime oriented public attraction in Pier 45 Shed A at Fisherman's Wharf

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO ENTER INTO CONTRACT WITH THE CONSULTANT TEAM LED BY BAY AREA ECONOMICS

BACKGROUND

Request for Proposals for Pier 45 Shed A

On June 29, 1999, the Port Commission by Resolution No. 99-45 approved the development concept for Pier 45 Shed A, and authorized issuance of a Request for Proposals which included this development concept for the development and lease of Pier 45 Shed A with a San Francisco Bay / maritime oriented public attraction ("Pier 45 RFP"). The Pier 45 RFP was subsequently issued with a proposal deadline of January 25, 2000.

Consultant Request for Qualifications

On September 17, 1999, Port staff issued a request for qualifications from teams of consultants with multidisciplinary expertise to provide consulting services for waterfront planning and development projects ("Consultant RFQ"). The purpose of this Consultant RFQ was to create a list of Qualified Consultant Teams from which the Port could solicit proposals for planning and development consulting services, including for Pier 45 Shed A,

the Bryant Street Pier Project, the Piers 27-31 Mixed Use Recreation Project, the Pier 70 Project, the Southern Waterfront, and other projects as needed. Each consultant team had to include expertise in real estate market and financial research and analysis, site planning and urban design, architecture, historic preservation, engineering, transportation, project approvals, and community relations, as well as specialized expertise related to specific development opportunities, such as expertise in for-profit and non-profit public attractions, modern passenger cruise terminals, and large-scale recreation facilities. Each consultant team also had to be led by a real estate economics consulting firm ("Lead Consultant"), and could include sub-consultants. Pursuant to San Francisco Administrative Code Section 12D, sub-consultant participation goals of 15% for Minority Business Enterprises (MBEs) and 5% for Woman Business Enterprises (WBEs) were established for the total contract dollars expended by the Port through this Consultant RFQ process.

As indicated in the informational presentation to the Port Commission at its November 17, 1999 meeting, responses to this request for qualifications were received from the following six consultant teams (listed alphabetically by the Lead Consultant):

- Bay Area Economics
- Economic & Planning Systems
- Economic Research Associates
- Hausrath Economics
- Keyser Marston Associates, Inc.
- Sedway Group

Port staff determined that all six consultant teams met the Minimum Qualifications indicated in the Consultant RFQ, although some of the consultant teams indicated interest in only certain projects and therefore did not include the expertise required for other projects. All six responding consultant teams were placed on the list of Qualified Consultant Teams from which the Port can solicit proposals for specific consulting contracts.

Consultant Request for Proposals

On November 24, 1999, Port staff requested proposals from all six Qualified Consultant Teams to provide consulting services regarding the Pier 45 RFP ("Consultant RFP"). The indicated scope of consulting services consisted of two phases:

1. Phase 1 – to assist the Port in evaluating proposals received in response to the Pier 45 RFP; and
2. Phase 2 - as needed, to assist the Port with negotiating the development agreement and lease for Pier 45 Shed A.

Funding for this consulting work would be from the Pre-Development Studies Account (CPO #667) of the Port's Fiscal Year 1999/00 Capital Plan.

Respondents were requested to indicate in their proposals:

1. Their approach to providing consulting services.

2. Their previous experience with similar projects.
3. The fixed fee for Phase 1 work, and the hourly rates for Phase 2 work.
4. Their compliance with certain City requirements.
5. Their compliance with Human Rights Commission requirements.
6. A conflict of interest statement.

The evaluation criteria indicated in the Consultant RFQ consisted of:
1. Their approach to consulting services (20% weighting);
2. The experience of Lead Consultant, sub-consultants and assigned project staff (40% weighting);
3. The fee proposal for Phase 1 (35% weighting); and
4. The fee proposal for Phase 2 (5% weighting).

Rating bonuses were indicated to be in effect pursuant to Chapter 12D of the San Francisco Administrative Code.

Responses to the Consultant RFP were received from Bay Area Economics (BAE), Economic & Planning Systems (EPS), and the Sedway Group. Concerning potential conflicts of interest, all of the respondents indicated that no member of their consultant team currently is or anticipates providing services to any entity that they are aware is preparing a response to the Pier 45 RFP. The following table indicates the members of these three consultant teams, their Phase 1 fee proposal, whether the Lead Consultant is a MBE or WBE, and the percentage of the Phase 1 fee proposal allocated to MBE/WBE sub-consultants.

Lead Consultant:	**Bay Area Economics**	**Economic & Planning Systems**	**Sedway Group**
Sub-Consultants:	Pannell Kerr Forster, Terranomics, EDAW, Inc., Olivia Chen Consultants, Pittman & Hames Associates	KenKay Associates, Robin Chiang & Company, Page & Turnbull, Olivia Chen Consultants, Han-Padron Associates, NBA Engineering, IHI Environmental, Roger L. Peters, Real Estate Planning Strategies, The Duffey Company	Sasaki Associates, Han-Padron Associates, CHS Consulting Group, Real Estate Planning Strategies
Phase 1 Fee Proposal: • **Two proposals** • **Each additional proposal**	 $45,900 $21,750	 $45,099 $17,550	 $113,782 $ 28,119
Lead Consultant MBE or WBE:	Yes	No	Yes
Percentage of Phase 1 Fee allocated to MBE/ WBE sub-consultants:	27%	27%	12-16%

STAFF EVALUATION AND RECOMMENDATION

The three proposals submitted in response to the Consultant RFP were evaluated by a three-member selection committee comprised of Port staff, using the evaluation criteria indicated in the Consultant RFP. The selection committee rated the proposals submitted by the consultant teams led by Bay Area Economics and by Economic & Planning System higher than the proposal submitted by the consultant team led by the Sedway Group. The selection committee therefore conducted oral interviews with the two consultant teams led by Bay Area Economics and by Economic & Planning Systems.

The consultant team led by Bay Area Economics received the highest overall score from the selection committee following the oral interviews, both before and after applying rating bonuses pursuant to Chapter 12D of the San Francisco Administrative Code. Bay Area Economics also received the highest ratings for Evaluation Criterion 1 (approach to consulting services), Evaluation Criterion 2 (experience of Lead Consultant, sub-consultants and assigned project staff), and Evaluation Criterion 3 (fee proposal for Phase 2 work).

Port staff therefore recommends that the Port Commission authorize Port staff to enter into a contract with the consultant team lead by Bay Area Economics for the consulting services and the contract parameters indicated in this Memorandum.

Prepared by: Kirk Bennett
Manager, Waterfront Development Projects

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-02

WHEREAS, the Port Commission, on June 29, 1999 by Resolution 99-45, authorized the issuance of a Request for Proposals for the development and lease of Pier 45 Shed A with a San Francisco Bay / maritime oriented public attraction ("Pier 45 RFP"); and

WHEREAS, the Pier 45 RFP established a proposal deadline of January 25, 2000, and indicated that the proposals would be reviewed and evaluated by Port staff, possibly with the assistance of independent consultants; and

WHEREAS, Port staff on September 17, 1999 issued a request for qualifications from teams of consultants with multidisciplinary expertise to provide consulting services for waterfront planning and development projects, including Pier 45 Shed A ("Consultant RFQ"), and Port staff, with the assistance of representatives of the Human Rights Commission, undertook good faith efforts to ensure that disadvantaged minority and woman owned business enterprises were given an opportunity to submit a proposal or participate on a consultant team as a sub-consultant; and

WHEREAS, responses were received to this RFQ from six consultant teams, all of which were determined by Port staff to met the Minimum Qualifications indicated in the RFQ, and all six consultant teams were placed on the list of Qualified Consultant Teams from which the Port could solicit proposals for specific consulting contracts; and

WHEREAS, Port staff on November 24, 1999 requested proposals from all six Qualified Consultant Teams to provide consultant services regarding the Pier 45 RFP ("Consultant RFP"), with the scope of services consisting of two phases: (1) Phases 1 assisting the Port in evaluating proposals received in response to the Pier 45 RFP; and (2) Phase 2, as needed, assisting the Port with negotiating the development agreement and lease for Pier 45 Shed A; and

WHEREAS, responses to this Consultant RFP were received from three consultant teams, led by Bay Area Economics (BAE), Economic & Planning Systems (EPS), and the Sedway Group, as summarized in the Memorandum for Agenda Item No. 8B for the January 11, 2000 Port Commission Meeting; and

WHEREAS, a selection committee comprised of Port staff evaluated the three proposals using the evaluation criteria indicated in the Consultant RFP, and rated the proposals submitted by the consultant teams led by Bay Area Economics and by Economic & Planning Systems higher than that submitted by the consultant team led by Sedway Group, and

WHEREAS, the selection committee conducted oral interviews with the consultant teams led by Bay Area Economics and by Economic & Planning Systems, and

WHEREAS, the consultant team led by Bay Area Economics received the highest overall score from the selection committee following the oral interviews; and, now therefore be it

RESOLVED, that the Port Commission hereby authorizes and directs the Executive Director of the Port, or his designee, to enter into a contract with Bay Area Economics for the consulting services indicated in the Memorandum for Agenda Item No. 8B for the January 11, 2000 Port Commission meeting.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 11, 2000.

_____
Secretary

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

January 11, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Denise McCarthy, President
Hon. Kimberly Brandon, Vice President
Hon. Michael Hardeman
Hon. Brian McWilliams
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Briefing on Status of Port Planning & Development Projects

DIRECTOR'S RECOMMENDATION: NO ACTION REQUIRED.

BACKGROUND

On June 24, 1997, the Port Commission adopted the Port of San Francisco Waterfront Land Use Plan ("Waterfront Plan"), thereby lifting the seven-year moratorium on non-maritime development on Port piers and properties within 100 feet of the shore, and providing a blueprint for the future use of Port property. This accomplishment, along with the current real estate market and other factors, has spurred considerable interest by private developers, public agencies and citizens in revitalization of Port property. The Port's Planning & Development Division has been working on many projects to implement the Waterfront Plan. The purpose of this report is to provide you with an update of these projects.

THIS PRINT COVERS CALENDAR ITEM NO. 8C

MAJOR PLANNING PROJECTS

BCDC Plan Amendments

The Port Planning Staff has been working closely with staff of the San Francisco Bay Conservation and Development Commission (BCDC) and Save San Francisco Bay Association (Save the Bay) to jointly develop plan amendments to establish consistent policies in BCDC planning documents and the Port's Waterfront Plan.

The objectives of this effort are to provide more flexibility to the Port to carry out projects on piers consistent with the Waterfront Plan, and to define locations and funding to create major public plazas and public access, and removal of selected piers to address key BCDC public access and fill removal objectives under the McAteer-Petris Act. The approach to developing the plan amendments is based on a comprehensive study to identify desirable locations for three public plazas, and piers to be removed to meet bay fill removal objectives. The amendments also will include provisions allowing the Port to repair, seismically improve and develop uses on its piers consistent with the Public Trust Doctrine; and to increase certainty in the BCDC permitting through clarified policies and procedures. The Port has provided funding for BCDC staff consultant services.

On December 16, 1999, the BCDC and Port Commissions held a joint public meeting to receive a staff presentation on a draft framework for amendments to BCDC and Port plans. The Commissions received numerous public comments, many indicating the need for further work to develop design parameters for a proposed Northeast Wharf public plaza, and to determine pier removals. The BCDC Commission directed its staff to initiate the plan amendment process on January 6, 2000, while efforts are underway to further address the plaza and pier removal issues.

To receive a copy of the Port staff report and draft framework for the BCDC and Port Plan amendments, contact Diane Oshima at (415) 274-0553, or by e-mail at Diane_Oshima@sfport.com.

Historic Preservation Planning

The Port's Waterfront Plan includes historic preservation policies. Pursuant to these policies, certain historic resources, such as the Ferry Building and Agriculture Building, will be preserved and rehabilitated consistent with the Secretary of Interior standards for historic preservation. Other resources, such as pier bulkhead buildings and pier sheds (eg. Pier 45 Shed A, Pier 1, and Piers 29 – 31), will be retained, and still others require further preservation review and analysis before determining which additional resources should be retained and to what extent they can be rehabilitated.

The Port is conducting further research and analysis of its historic resources north of China Basin Channel. This effort will continue throughout 2000 and may require consultant assistance. The completion of this work will be coordinated with completion of the BCDC negotiations and amendments, and timely processing of Port commercial development and maritime projects and building permits.

Some of these projects, such as Pier 1 and the Ferry Building, involve historic preservation and adaptive reuse. On January 5, 1999 the Secretary of the Interior placed Pier 1 on the National Register of Historic Places. This and other preservation efforts will be pursued by the Port as part of the approval process for individual projects, and may occur in advance of completing historic preservation policies for other waterfront areas.

Southern Waterfront Planning

The Port has received several lease proposals for Pier 80, and Piers 90 through 96 in the Southern Waterfront. Many are for maritime industrial or other industrial activities north and south of Islais Creek. A number of these proposed uses (e.g. concrete-batching plants, crushing and recycling, storage of aggregate for concrete operations) have raised environmental and public health concerns with the Bayview/Hunter's Point neighborhood. The proposed leases and projects in the Southern Waterfront, including an Illinois Street rail bridge between the Port's North and South cargo terminals, will be evaluated in a supplemental EIR to the Waterfront Plan EIR. To address these and other issues, the Port has established a Southern Waterfront Advisory Committee (SWAC) to solicit input regarding lease proposals for Port property, including environmental mitigation and monitoring requirements. The SWAC meets approximately once a month.

In addition to evaluating current lease proposals, the Port will conduct further planning to develop a development program for the Pier 90-94 backlands, a currently undeveloped area, which will require infrastructure and other capital improvements. The Port anticipates that this work will require some consultant assistance, coordination with other City agencies (e.g. the Planning Department and Redevelopment Agency), and ongoing discussions with the SWAC and the broader community.

MAJOR COMMERCIAL DEVELOPMENT, MARITIME, AND OPEN SPACE PROJECTS

Attached are Project Summary Sheets for each of the major commercial development, maritime and open space projects currently being managed by Planning & Development Division staff. This information is meant to provide you with a brief status report on the Division's activities. Planning & Development's lead staff member for each project is indicated in **bold**. The Project Location map on page 5 indicates the specific location of each project referenced in this summary.

Please note that the following projects which previously appeared in this summary will be summarized in updates provided by the Facilities and Operations Division:

- Hyde Street Fishing Harbor
- Pier 47A
- Downtown Ferry Terminal Project
- Mid-Embarcadero Roadway Project
- Ballpark Ferry Landing – China Basin Channel

Prepared by: Paul Osmundson, Director of Planning & Development

LEAVE THIS PAGE BLANK FOR THE MAP

1. PIER 45 PUBLIC ATTRACTION PROJECT

PROJECT STAFF **Kirk Bennett, Manager, Waterfront Development Projects**
Rich Hentschel, Feasibility Analyst

PROJECT DESCRIPTION Development and operation of a public attraction at Pier Shed A. The public attraction will include uses that have a quality educational/learning/ interpretive focus; will be strong enough to significantly enhance the image of Fisherman's Wharf; and will support the long-term future of the fishing industry. The public attraction will incorporate San Francisco Bay and maritime oriented themes.

STATUS On June 29, 1999, the Port Commission (by resolution 99-45) approved the development concept for this RFP and authorized issuance of an RFP for a new public attraction at Pier 45 Shed A. The RFP was issued in August, 1999, and two pre-submittal meetings have been held. The deadline for proposals is January 25, 2000.

PROJECT APPROVALS The project will require permits and approvals from the Port Commission, BCDC, and the Board of Supervisors.

SCHEDULE MILESTONES

August 25, 1999	RFP issued
January 25, 2000	Deadline for submitting responses to RFP

2. PIER 43 PUBLIC FERRY TERMINAL

PROJECT STAFF

Dan Hodapp, Planner
Diane Oshima, Manager, Waterfront Planning
Denise Turner, Wharfinger

PROJECT DESCRIPTION

A ferry terminal will be constructed at Pier 43 to provide a publicly accessible ferry landing in Fisherman's Wharf. The project will include a floating berth, pilings, gangway system, and ramps to connect to Pier 43.

STATUS

The City of Vallejo secured $1.6 million in Federal Ferry Boat Funds and $400,000 in California Transportation Commission funds for the project. The project received federal and state environmental clearance, as well as right of way clearance, in August 1997. The Port and the City of Vallejo have negotiated a cooperative agreement through which the City of Vallejo will fund the project, and manage the design and construction of the terminal. The City of Vallejo has hired a design team and working with Port staff has developed a preliminary design for the terminal.

APPROVALS

The Port Commission approved the cooperative agreement with Vallejo, and must approve a landing rights agreement for the facility. Approval must also be received from BCDC, Army Corps of Engineers and Regional Water Quality Control Board.

PRIMARY CONSULTANT

Moffatt and Nichol Engineers

SCHEDULE MILESTONES

June 1998	Cooperative Agreement Finalized
November 1998	Vallejo issued RFP for design consultant
September 1999	Preliminary Design completed
June 2000	Apply for BCDC and other permits
September 2000	Begin construction

3. PIERS 27 – 31 MIXED USE RECREATION PROJECT

PROJECT STAFF

Kirk Bennett, Manager, Waterfront Development Projects
Diane Oshima, Manager, Waterfront Planning
Alec Bash, Waterfront Planner—Special Projects
Rich Hentschel, Feasibility Analyst

PROJECT DESCRIPTION

Development and operation of a Mixed Use Recreation Project on Piers 27 – 31. This project is intended to create a local and regional destination serving a wide range of recreational interests, including both active and passive recreational activities. In addition to other ancillary uses, the recreation project will provide for free movement through and around Pier 27 – 31. A series of open spaces will provide expansive views of San Francisco Bay as well as views of recreational activities.

STATUS

In August, 1999 the Northeast Waterfront Advisory Group - after an advisory group process - reached a consensus on the mission statement and development concept to be included in an RFP for a new Mixed Use Recreation Project on Piers 27 – 31. On September 21, 1999 (by Resolution No. 99-25), the Port Commission approved the mission statement and development concept recommended by the Advisory Group, and authorized issuance of the RFP.

The RFP was issued on November 21, 1999, with a deadline for submitting proposals of March 13, 2000. However, on December 8, 1999, the RFP was suspended pending the public review of proposed amendments to current BCDC plans.

PROJECT APPROVALS

The project will require the following reviews/approvals: Port Commission award of exclusive negotiation, CEQA, Waterfront Design Advisory Committee, BCDC, Army Corps of Engineers, RWQCB, and the Board of Supervisors.

SCHEDULE MILESTONES

August 12, 1999	Advisory Group process completed
September 21, 1999	Mission statement & development concept approved by the Port Commission; Port staff authorized to issue the RFP
November 12, 1999	RFP issued
December 8, 1999	RFP suspended due to proposed amendments to BCDC Plans

4. BROADWAY HOTEL PROJECT

PROJECT STAFF Kirk Bennett, Manager, Waterfront Development Projects
Jennifer Sobol, Development Project Coordinator

PROJECT DESCRIPTION Development and operation of a first-class, full-service hotel at Broadway and The Embarcadero, including Seawall Lots 323, 324, and 322-1, as well as a parcel currently owned by the City. Together, these seawall lots represent one of the few areas north of China Basin Channel where hotels are identified as an Acceptable Use in the Waterfront Land Use Plan.

STATUS Pursuant to authorization by the Port Commission at its October 27, 1998 meeting, a RFQ/P was issued on November 18, 1998. Three responses to the RFQ were submitted, and two respondents were invited to submit proposals. One proposal was received, from Stanford Hospitality, Inc., and on August 10, 1999 the Port Commission (by Resolution 99-67) authorized Port staff to enter into exclusive negotiations with Stanford Hospitality, Inc. An Exclusive Right to Negotiate Agreement was executed by the Port and Stanford Hospitality, Inc. on November 8, 1999.

APPROVALS The project will require CEQA review, a conditional use authorization and a certificate of appropriateness from the Planning Department. It will be subject to design review by the Waterfront Design Advisory Committee. Approvals also will be required from the Port Commission and the Board of Supervisors.

PRIMARY CONSULTANTS
Patri Mercer Architects (architecture & design)
Architectural Resources Group (architecture & historic preservation)
Public Affairs Management (regulatory)
Jefferson Company (community relations)
Bovis Construction (general contractors)

SCHEDULE MILESTONES

November 18, 1998	Request for Qualifications/Proposals issued
January 25, 1999	Qualifications submitted by three teams
March 9, 1999	Two respondents invited to submit proposals
May 18, 1999	Proposal submitted by Stanford Hospitality, Inc.
November 8, 1999	Exclusive Right to Negotiate Agreement executed
May 7, 2000	Exclusive Right to Negotiate expires

5. PIER 1 ½ - 5 MIXED USE PRESERVATION PROJECT

PROJECT STAFF

Kirk Bennett, Manager, Waterfront Development Projects
Alec Bash, Waterfront Planner—Special Projects
Jennifer Sobol, Development Project Coordinator
Ed Byrne, Engineering Manager
Dede Satten, Site Property Manager

PROJECT DESCRIPTION

Development of a Mixed Use Preservation Project involving the Pier 1 ½, 3 and 5 bulkhead buildings, Pier 1 ½, and a portion of Pier 3. The goals of this development are to create an inviting mixed use project that attracts the public to the Bay and enhances their waterfront experience, and to preserve and rehabilitate these historic bulkhead buildings.

STATUS

Preliminary engineering studies conducted in conjunction with the Mid-Embarcadero Roadway Project found parts of the marginal wharf between Piers 1 ½ - 5 to be seriously deteriorated. The Port retained an independent engineering consultant, Structus, to survey the condition of the substructure under these bulkhead buildings. Based on the results of this survey, the Port's Engineering Dept. has determined that the future use and improvement of the bulkhead buildings after 2000 will be difficult unless substructural repairs are made to the marginal wharf. The total costs of these repairs is estimated at approximately $7.3 million. While a portion of the required funds are available from the Mid-Embarcadero Roadway Project and from the Port's Capital Plan, meeting the additional costs will require a partnership between the Port and a private developer.

In November, 1999, Port staff reconvened the Ferry Building Waterfront Advisory Group to provide input on a development concept to be included in a RFP for Piers 1 ½ - 5 (excluding the existing leaseholds on Pier 3 with Hornblower Yachts, Inc. and FB Santa Rosa Partnership, Ltd.). At its December 15, 1999 meeting, this advisory group reached a consensus on the development concept to be included in an RFP for this site. Port staff anticipates recommending to the Port Commission at its meeting on January 25, 2000 that it approve the advisory group's recommended development concept and authorize issuance of an RFP.

APPROVALS

The project requires approval from the Port Commission, the Board of Supervisors, the US Army Corps of Engineers, BCDC, RWQCB and the Waterfront Design Advisory Committee. The project will also be subject to CEQA review.

SCHEDULE MILESTONES

December 15, 1999	Ferry Building Waterfront Advisory Group recommends development concept

January 25, 2000 Development concept to Port Commission

6. PIER 1 MARITIME OFFICE BUILDING

PROJECT STAFF

Kirk Bennett, Manager, Waterfront Development Projects
Jennifer Sobol, Development Project Coordinator
Leo Bragagnolo, Engineering Project Manager
Mary Ilyin, Architect for Port's Office Space

PROJECT DESCRIPTION

Pier 1 is being converted from a parking garage to a Class-A office building. It will be the future home for the Port's administrative offices and the headquarters for the developer, AMB Property Corporation ("AMB"). It will also house other office tenants and include a newly renovated Pier One Deli. New and increased public access will extend around the pier perimeter, and the shed's historic features will be preserved. The Port's conference rooms will be made available to the public after hours for meetings and events.

STATUS

A 50-year lease was conveyed to AMB in August 1999, and construction is proceeding on schedule. Pile driving has been completed, the new raised south apron has been poured, and structural steel work is underway. The architects are completing the design development phase for the Port's tenant improvements.

APPROVALS

All necessary regulatory approvals have been obtained.

PRIMARY CONSULTANTS

SMWM (architects)
Nibbi Brothers (general contractor)

SCHEDULE MILESTONES

August 3, 1999	Lease conveyed
August 5, 1999	Construction commenced
December 2000	Construction complete

7. FERRY BUILDING REHABILITATION PROJECT

PROJECT STAFF **Alec Bash, Waterfront Planner—Special Projects**
Mary Hanni, Project Manager

PROJECT DESCRIPTION Redevelopment of this National Register and City Landmark building with ground floor retail, transportation and public uses and complementary upper floor office and other commercial uses. The Port's goals are for a signature project which achieves a high level of public use and support, strengthens the Port's long-term financial position, and enhances the Port's ability to undertake other projects.

STATUS A developer Request for Qualifications and Proposals was issued in May 1998. The Commission in August 1999 approved a Lease Disposition and Development Agreement and Ground Lease with Ferry Building Investors LLC, an entity managed by Wilson Cornerstone. The Waterfront Design Advisory Committee approved Design Recommendations for the project in October 1999, after which the Port Commission approved the Schematic Design in November 1999. Environmental review is complete. An Historic Preservation Certification Application for tax credits is under review.

APPROVALS The project requires San Francisco Board of Supervisors approval of the Ground Lease, Planning Department approval of a parking exemption, a San Francisco Conservation and Development Commission permit, and an Army Corps of Engineers Letter of Permission

PRIMARY CONSULTANTS SMWM (architect), Page & Turnbull (preservation architect),
Baldauf Cotton Von Eckartsberg (retail architect)
The Jefferson Company (development manager)

SCHEDULE MILESTONES

December 14, 1999	Board of Supervisors approved Ground Lease
January 2001	Convey lease and commence construction
June 2002	Complete construction

8. RINCON PARK RESTAURANT

PROJECT STAFF

Kari Kilstrom, Development Project Coordinator
Anne Cook, Manager, Waterfront Development Projects
Leo Bragagnolo, Engineering Project Manager
Mark Lozovoy, Real Estate

PROJECT DESCRIPTION

The 20,000 square foot site is located at the south end of the approximately 3-acre Rincon Park which will stretch along The Embarcadero between Howard and Harrison Streets. Through an agreement between the GAP (which is building a headquarters office building at Folsom and Steuart Streets) and the Redevelopment Agency, the Park will be designed, constructed and maintained. The restaurant site is within the Rincon Point/South Beach Redevelopment Plan project area, and was the subject of a 1995 Agreement to Lease between the Port and the Redevelopment Agency.

STATUS

The Port Commission authorized Staff to issue an RFP for the project on March 10, 1998 (Resolution No. 98-27) and the RFP was issued on July 23, 1998. Two proposals were received. In March 1999, the Port Commission approved an Exclusive Right to Negotiate with Nice Ventures Inc. for development of the restaurant. The draft Disposition and Development Agreement and the Lease are currently being negotiated with Nice Ventures Inc. Restaurant construction will be coordinated with the construction of Rincon Park.

APPROVALS

In addition to various Port Commission approvals, the Port expects to invite and receive comments on the design of the project from the Redevelopment Agency, the Rincon-Park South Beach CAC and the Planning Department. The Project will require a permit from BCDC. Because the restaurant was studied in the EIR for the Rincon Point-South Beach Redevelopment Plan, no further environmental review is anticipated.

SCHEDULE MILESTONES

March 1999	Port Commission authorized exclusive negotiations with Nice Ventures Inc.
January 2000	Approve Development Agreement and Lease
September 2000	Start construction of Rincon Park, completed by April 2001
January 2001	Start construction Rincon Park Restaurant Site, completed by January 2002

9. PIER 24 ANNEX MIXED USE DEVELOPMENT PROJECT

PROJECT STAFF

Kari Kilstrom, Development Project Coordinator
Anne Cook, Manager, Waterfront Development Projects
Leo Bragagnolo, Engineering Project Manager
Mark Lozovoy, Real Estate

PROJECT DESCRIPTION

The Port has solicited proposals from qualified developer/operators to finance, design, construct, maintain and operate a mixed use development (the "Development") consistent with the Waterfront Plan. The Waterfront Plan lists the following uses, or a combination thereof, as acceptable for the site: Assembly and entertainment, museum, retail (including restaurant) water taxi, public access and open space.

The building is approximately 24,000 square feet. The site could be used for one or more distinct operations under a lease with a single developer.

STATUS

On April 13, 1999, The Port entered into exclusive negotiations with Metropolis Partners/Polatnick Properties based on the bid submitted in February 1999. Alternative designs and use programs are under preparation by the developer team for the Port's consideration prior to preparing a Development Agreement and Lease.

PROJECT APPROVALS

The Development will require review by the Waterfront Design Advisory Committee, Environmental Review, BCDC Permit, and Port Commission and Board of Supervisors approval of the Lease.

PRIMARY CONSULTANTS

Structus Engineering performed a substructure inspection.

SCHEDULE MILESTONES

August 1999	Consideration of Design & Use Alternatives
Sept 1999 – Jan 2000	Consider Alternative Designs and Use Programs
January – March 2000	Negotiate Lease & Development Agreement
March 2000	Approve Lease & Development Agreement

10. BRYANT STREET PIER OPPORTUNITY AREA (PIER 30-32/SWL 330)

PROJECT STAFF

Anne Cook, Manager, Waterfront Development Projects
Carla Bagneschi, Planner
Leo Bragagnolo, Engineering Project Manager

PROJECT DESCRIPTION

In June 1999, the Port issued a Request for Qualifications and Proposals (RFQ/P) to design and develop the Bryant Street Pier Project, including the James R. Herman International Cruise Terminal, on the approximately 13-acre Pier 30-32 and 3-acre Seawall Lot 330. Port staff worked closely with an Advisory Group made up of industry experts and community representatives in drafting the project goals and objectives included in the RFQ/P.

The Project, located on the Port's largest and most attractive development site, will serve as the focal point for maritime, commercial and public activity between the new Pacific Bell Ballpark and downtown. Acceptable uses for the mixed-use component include, but are not limited to, retail, maritime office, entertainment, hotel, public access and open space.

STATUS

The Port received four submittals on July 26, 1999 in response to the RFQ/P. In August, the Port invited three of the four teams, including Forest City Development, San Francisco Cruise Terminal LLC ("SFCT") and LCOR San Francisco Cruise Terminal LLC ("LCOR"), to submit detailed proposals for the Project. On October 28, the Port received two proposals from SFCT and LCOR. The proposals are currently being evaluated.

APPROVALS

This Project will require permits and approvals from the Port Commission, BCDC, the Planning Department, and the Army Corps of Engineers, among other agencies.

PRIMARY CONSULTANTS

To be selected

SCHEDULE MILESTONES

July 1999	Four teams respond to RFQ/P
August 1999	Port "short lists" three developers for proposal phase
October 1999	Two proposals submitted
January 2000	Developer Selection and Recommendation to Port Commission
January 2000	Exclusive Negotiations period begins

11. PACIFIC BELL BALLPARK

PROJECT STAFF

Kari Kilstrom, Development Project Coordinator
Daniel Bell, Planner
Anne Cook, Manager, Waterfront Development Projects
Cliff Jarrard, Chief Harbor Engineer

PROJECT DESCRIPTION

In April 2000, the Giants' new 42,000 seat ballpark at China Basin will be complete. Construction of the ballpark structure and seating bowl is well underway. The Port will focus it's efforts to complete the design and construction drawing review of the Pavilion Building, and to complete the pre-development work (i.e. design, engineering and regulatory permits) for the off-site projects related to the Ballpark.

STATUS

Port Commission approved a Ground Lease, Development Agreement and Conceptual Design in 1997. Pavilion Building Re-Design approved March 1999. China Basin Park, parking lot, and China Basin terminal design are underway.

The following tasks highlight the remaining scope of work:

- Approval of final design details for Pavilion Building, then accessibility review and building permit issuance
- Stripe bicycle lanes on Terry Francois Boulevard including requisite resurfacing
- Review and approve the re-design of China Basin Park
- Obtain regulatory approvals for construction

APPROVALS

The Ballpark has received all necessary regulatory approvals. Some of the related tasks listed above will require amendments to those approvals or additional approvals from the Port Commission, BCDC, Army Corps or other City Departments.

PRIMARY CONSULTANTS

None

SCHEDULE MILESTONES

January 2000	Finalize design review for Pavilion Building
January – February 2000	Port stripes bike lanes on Terry Francois Boulevard
April 2000	Opening Day

12. CHINA BASIN SHORELINE PARK DESIGN

PROJECT STAFF **Dan Hodapp, Planner**
Diane Oshima, Manager, Waterfront Planning

PROJECT DESCRIPTION As part of the construction of the Pacific Bell Ballpark the China Basin Ballpark Company (CBBC) will be improving as a public park an area east of Third Street between the south edge of China Basin Channel and Terry Francois Boulevard. The park improvements will follow the Port's China Basin Shoreline Stabilization project in this area. Port staff is currently working with CBBC in developing a concept design and reviewing it publicly with neighborhood organizations.

STATUS CBBC is negotiating with BCDC for a minimum level of improvements to be installed prior to April 1, 2000. The concept design will be complete by January, 2000. Construction is expected to occur in the fall of 2000.

PROJECT APPROVALS Environmental Review was certified and a BCDC permit was approved as part of the ballpark. BCDC will review the final design.

PRIMARY CONSULTANTS Pat O'Brien, Landscape Architects

SCHEDULE MILESTONES

January 2000	Concept Design Complete
October 2000	Begin construction

13. PIER 70 OPPORTUNITY AREA

PROJECT STAFF

Anne Cook, Manager, Waterfront Development Projects
Leo Bragagnolo, Engineering Project Manager
Marshall Foster, Planning & Design Intern

PROJECT DESCRIPTION

The Waterfront Land Use Plan identifies an approximately 16-acre Mixed Use Opportunity Area in the vicinity of Pier 70, between 18th and 21st streets. Several of the historic Union Iron Works buildings are included within this opportunity area. The Waterfront Plan allows non-maritime land uses in this area which result in the preservation and adaptive reuse of the historic buildings, provided they are consistent with the Waterfront Plan and do not adversely impact nearby water-dependent uses or associated support services. New construction will be permitted provided that public access improvements are extended to the water's edge as indicated in the Waterfront Plan, and other Plan criteria are met.

STATUS

Developer interest in the Pier 70 area has increased over the past year, particularly in light of the planned Mission Bay and UCSF projects to the north. Because the Port would like to seize the opportunity to preserve the historic buildings in the Opportunity Area, staff is currently working to inventory site conditions and historic resources at the historic Union Iron Works. The Pier 70 Advisory Group will be formed and begin meeting in early February to provide input into the Port's development goals and objectives for Pier 70. This group will recommend a development concept for a RFQ/P to the Port Commission for approval in May 2000

APPROVALS

The project will require approval from the Port Commission, the Planning Department, BCDC and the San Francisco Board of Supervisors. Portions of the property also may need to be surplused from the Public Trust. CEQA review and a project Environmental Impact Report (EIR) may also be required.

SCHEDULE MILESTONES

February 2000	Convene the Pier 70 Advisory Group
February 2000	Issue RFQ for consultant services
March 2000	Select consultants
April 2000	Complete due diligence and project feasibility
June 2000	Issue RFQ/P

SAN FRANCISCO
PORT COMMISSION

JANUARY 11, 2000 – 3:30 P.M.
MINUTES OF THE SPECIAL MEETING

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DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE SPECIAL MEETING
3:30 P.M., TUESDAY, JANUARY 11, 2000

1. ROLL CALL

Commission President Denise McCarthy called the meeting to order at 3:32 p.m. The following Commissioners were present: Denise McCarthy, Kimberly Brandon, Michael Hardeman, Brian McWilliams and Pius Lee.

2. NEW BUSINESS / PUBLIC COMMENT

Jerry Levine, San Francisco Craft & Folk Art Museum, clarified a statement in the summary of the cruise terminal regarding lack of evidence of financial backing for the proposed museum. He stated that the museum is very viable and have received an endowment of close to a million dollars. The museum has been operating for many years and has a national reputation with grants from the State of California and from the Institute of Museum Library Services. They will make a major contribution and are financially viable.

Ron Frazier, Global Garden Projects, read the attached letter to the Port Commission.

3. EXECUTIVE SESSION

ACTION: Commissioner Lee moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

At 3:40 p.m., the Commission withdrew to executive session to discuss the following:

CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 30/32 and SWL 330
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*San Francisco Cruise Terminal LLC
*LCOR San Francisco LLC

4. RECONVENE IN OPEN SESSION

At 5:05 p.m., Commissioners McCarthy, Brandon, Hardeman, McWilliams and Lee returned from executive session and convened in public session.

ACTION: Commissioner Brandon moved approval to not disclose any information discussed in executive session; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 5:05 p.m.

GLOBAL GARDEN PROJECTS,™ INC.

P.O. Box 22161 • San Francisco, CA 94122 • (415) 665-4437 • FAX (415) 824-0604 • E-mail: globalgarden@mindspring.com

Concerned Citizens

Directors:

Ronald Frazier, Founder
Executive Director
Projects Coordinator
Events & Media Producer

Alberta "Doodie"Meyer
President - International
Education Director
Former President of
Nat'l Assoc. of College
Admissions Counselors

Dr. Earl M. Ettienne, Ph.D.
Environmental and Health
Sciences Director
Immunology Specialist

Walter C. Scott
Governmental and Business
Relations Director
Former Special Assistant to
the Director, U.S. Dept. HUD

International Spokespersons:

Prince Alfred von Liechtenstein
President - Vienna Academy for
the Study of the Future (VA).
WETV Foundation, The New
Foundation - Liechtenstein

Ewai Chan
Special Education Advisor
Multi-Cultural and
International-Relations

Special Advisors:

Harold "Hal" Lipset
Former Chief Private Sector
Investigator-Senate Hearings

Franklin Key
Media Graphics and
Language Translation Advisor
KeyVisions Div. of GGP,Inc.

Betty Rider-Gordon, M.A.,M.S.
Health Care/Insurance
Education Specialest

Project Advisors:

Larry Gallagher, Toxic
Substances Inspector and
Former Hamilton Air Force
Base HAAF Facility Manager

Vic Canby,
Former U.S.
Environmental Clearance
Officer and U.S. Foreign
Services Officer

Saul Bloom
Arms Control
Research Center

Lenny Siegel
Pacific Studies Center

Cathy Hinds
Military Toxics Project

* * *

San Francisco Port Commission
San Francisco, California

January 11, 2000

Re: Concerned Citizens request concerning the hazardous toxic substances contaminating Piers 28-30 (site) as they relate to the Peers 30-32 proposed development. It is herein requested that the below statements be entered into the record concerning the above.

Points and references of concern:
On January 6th, 2000 I presented a request that included statements of facts that were placed in the record. These statements contained references to the hazardous toxic chemical substance Dioxin and it's harmful relationship to human health..

Statements focused on:

1) U.S. EPA reported that the San Francisco Bay and it's life forms are contaminated with Dioxin and Dioxin like toxic hazardous chemicals. The U.S. EPA has reported in it's Dioxin Reassessment Report that we as citizens have a body accumulation/body burden of Dioxin in fatty tissue and in mother's breast milk to the degree that any additional amounts may trigger cancerous and non cancerous health afflictions. Dioxin affliction reports note that after 30 years in Vietnam that the Dioxin from Agent Orange is still trans-generationally afflicting the population with cancerous and non cancerous health afflictions including birth defects.

2) Our January 6th statement referenced the site area of Piers 28-30 and the contaminated sediments that contain the waste products of a dry dock ship maintenance operation where we understand minimal if any dredging or sediment removal has taken place. The waste products from such dry dock operations are known to contain Dioxin(s). Reportedly there have been no onsite tests made for Dioxins. Dioxins have the potential to escape or migrate through water and air born pathways afflicting the current human and animal populations in the release area and in downwind pathways.

3) Reportedly the community surrounding San Francisco's Hunters Point Naval shipyard has the highest rates of breast cancer on the globe. We are very concerned that the staff report on Piers 30-32 of January 7th did not focus on the similarities of this historical San Francisco dry dock ship maintenance operation site and it's contamination to that of the Hunters Point community, where the Navy's Hunter's Point Ship Yard operated contaminated dry dock facilities.

Upon reading the San Francisco Examiner of January 8th and January 9th it became apparent that this Commission will be relying on the staff report of January 7th recommending development negotiations of this site without consideration for the tidal actions affecting existing onsite hazardous waste contamination potentially migrating off site afflicting the current residents of the area. The issue of concern is that there has not been testing for Dioxin to assure that Dioxin is not migrating off site, afflicting the population. Considering the potential adverse health impacts on the community we are petitioning government agencies to investigate, sample and test for Dioxin and it's migration from the site.

As a concerned citizen I herein ask this Commission to table it's decision concerning the development of this site until the Federal and State agencies can assure the residents of this community that they are not currently being affected by the site's toxic hazardous waste's off site migration. Considering the U.S. EPA declaration that the San Francisco Bay is contaminated with Dioxin I am sure that this Commission, knowing the historical use and the waste product of such a use, will seek remedies assuring the safety of community members prior to future use recommendations.

Thank you sincerely for your consideration of this matter.

Concerned citizen, Ron Frazier

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Foundation - Liechtenstein

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Vic Canby,
Former U.S.
Environmental Clearance
Officer and U.S. Foreign
Services Officer

Saul Bloom
Arms Control
Research Center

Lenny Siegel
Pacific Studies Center

Cathy Hinds
Military Toxics Project

* * *

San Francisco Port Commission
San Francisco, California

January 6, 2000

RE: Concerned Citizens request concerning the Development of Pier 30-32 and Sea Wall Lot 330.
It is herein requested that the below statements be entered into the record concerning the above.

I would like to bring to your attention a matter of great importance in the area of environmental health:

The development of Piers 30 and 32 for commercial usage presents the possibility for the disturbance of historically contaminated layered and compacted sediments specifically in the north side area of Piers 28-30. The area historically was used as a dry dock ship maintenance operation, where we understand minimal if any dredging has taken place.

We are concerned that any deep dredging of this site (Piers 28-30) will disturb the impacted layers of contaminated sediments containing petroleum hydrocarbons and their chemical byproducts along with other hazardous toxic substances. Our concerns are magnified by the U.S. EPA's recent report finding that the San Francisco Bay waters and life forms are contaminated with Dioxin and Dioxin like chemicals. Any disturbance of this site potentially would further contaminate the bay waters and it's life forms, with the potential for air born release of these hazardous toxic substances to the community.

We note that in the U.S. EPA's Dioxin Reassessment Report (a work in progress), the report states that individuals in the United States carry a body burden of Dioxin and Dioxin like chemicals in their fatty tissue including that of mother's breast milk, what is most distressing of all is the trans-generational-transfer to offspring. Dioxin is the byproduct of the Agent Orange chemical compound that has left its generational imprint on the newly born children in Vietnam. Dioxin has contributed to the death and hospitalizations of American veterans and their children. Dioxin and Dioxin like toxic chemicals contaminate the San Francisco Bay and through forms of airborne contaminated particulate contaminate the residents associated to the release areas or in wind pathways.

Personally as a native San Franciscan I believe that this Pier development project has an opportunity to be a model for future San Francisco Bay development projects. As so we propose that a concerned citizen's awareness group be formed working closely with the San Francisco Port Commission and the site developers for the purpose of following the progress and impacts of this site specific project including the taking of air, water and soil/sediment samples for testing and test result reporting to the community. These samples and tests should be made independently. These results would be reported to concerned citizens and organizations and additionally reported on the world wide web. As concerned citizens we are currently working with entertainment personalities on a globally hyperlinked website titled "DETOX 200" which will contain reports from similarly contaminated sites and include entertainment performances to assist in attracting people to our information website. DETOX 2000.COM will be available throughout the Internet in the spring of 2000.

We feel given the extreme circumstances where Marin County and San Francisco's Hunters Point community reportedly have the highest rates of breast cancer on the globe and that Marin County has the highest rates nationally of prostate cancer that there is no wriggle room for sidetracking or underrating the potential hazards related to these toxic chemicals and their impact on human health

We expect that there are other areas of environmental health concerns that may relate to this project. Hopefully any remaining issues will be less impacting than the issue of Dioxin related illness causation factors and it's body burden on the human population

Thank you sincerely for your consideration of this matter.

Concerned Citizen, Ron Frazier

SAN FRANCISCO PORT COMMISSION

JANUARY 11, 2000 – 4 P.M.
MINUTES OF THE REGULAR MEETING

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DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
4:00 P.M., TUESDAY, JANUARY 11, 2000

1. ROLL CALL

Commission President Denise McCarthy called the meeting to order at 5:05 p.m. The following Commissioners were present: Denise McCarthy, Kimberly Brandon, Michael Hardeman, Brian McWilliams and Pius Lee.

2. APPROVAL OF MINUTES - December 16, 1999 Special Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Brandon seconded the motion. All of the Commissioners were in favor; the minutes of the December 16, 1999 Special Meeting were approved.

3. EXECUTIVE

A. Election of Officers

Commissioner McCarthy opened the floor for nominations of Port Commission officers.

ACTION: Commissioner Hardeman nominated Commissioner Brandon as President of the Commission. Commissioner Lee seconded the motion. All of the Commissioners were in favor. Commissioner Brandon was unanimously elected President of the Commission.

ACTION: Commissioner McCarthy nominated Commissioner Brian McWilliams as Vice President of the Commission. Commissioner Hardeman seconded the motion. All of the Commissioners were in favor. Commissioner McWilliams was unanimously elected Vice President of the Commission.

Commissioner McCarthy thanked her fellow Commissioners for their support over the last two years. She thanked the public, especially the Port regulars, for their courtesies, patience and valuable input. She thanked the most wonderful Port staff who has made her job easy. She loved working with all of Port staff and deeply thanked them for their help.

Commissioner Brandon thanked Commissioner McCarthy for being such a great mentor. She couldn't have asked for a better person to follow into this seat. She has done an outstanding job of leading the Port into the new century along with her fellow Commissioners. She thanked Executive Director Doug Wong and his staff for being such a valuable and reliable resource to the Commission. She thanked her mom, Betty Brandon, for without her, she wouldn't be here and to her old and new friends

for supporting her through the trials and tribulations of learning how City government works. It's been a great experience. To have the support and confidence of the Mayor and her fellow Commissioners to elect her to this seat means a lot to her. She still has a lot to learn but she's sure that this year will be unforgettable.

B. Executive Director's Report

Mr. Wong congratulated the newly elected Commission officers. Mr. Wong also thanked Commissioner McCarthy for the leadership she brought to the Commission.

1) Millennium Celebration: The millennium celebration at the waterfront was a tremendous success. An estimated crowd of 200,000 people was on the Embarcadero between Howard and Washington Streets. The fireworks at 12 midnight, with the Ferry Building as the centerpiece, was spectacular. There were no reports of property damage along the waterfront. By 1:30 a.m., the crowd had dispersed. Throughout the event, the Port was in constant communication with the City's emergency operations center and the Police incident command center.

   Mr. Wong thanked Jeff Bauer for his excellent work in coordinating event logistics with Bill Graham Presents and the Police Department. Because of the good planning by the Port's property managers, guests of the World Trade Club, Gabbiano's, and Sinbad restaurants were able to attend their New Year events at the restaurants without any problems. He also thanked Ed Ochi, Port Safety Manager, for working with the Office of Emergency Service and developing and implementing and emergency response and communication plan for the Port. He also thanked Alex Lee and his crew for all their hard work that evening. He thanked all Port employees on duty on December 31 for being available and willing to serve the Port on New Year's Eve.

2) Report on State Legislative Activities. Governmental Affairs Manager Veronica Sanchez briefed the Commission on the legislative initiatives that Port staff will be embarking on. The week of Christmas, the Port received a $1.1 million federal grant to add onto the Downtown Ferry Terminal Project. It will be used for a new float in the north terminal. She thanked Senator Boxer and Congresswoman Pelosi for their efforts in securing the funds. Included in the Governor's budget is $1 million recommendation in the Cal Boating and Waterways budget for a new boat launch at Pier 52. The Governor's budget also includes $12 million for Bay Area Council's Water Transit Initiative. Staff will be pursuing legislation in doing infrastructure repairs for the protection of public safety and seismic protection.

4. CONSENT CALENDAR

A. Approval of Rent Credits for Repairs and Maintenance Otherwise the Obligation of Port, Undertaken by West Coast Recycling Company, Inc. at Pier 94-96 Pursuant to Lease No. L-12540. (Resolution No. 00-04)

ACTION: Commissioner McCarthy moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 00-04 was adopted.

5. **MARITIME**

6. **REAL ESTATE**

7. **FACILITIES & OPERATIONS**

A. Informational Briefing on the Status of Port Facilities and Operations Projects. ***Deferred to the next meeting***

8. **PLANNING & DEVELOPMENT**

A. Authorization to enter into Exclusive Right to Negotiate for the Design and Development of the Bryant Street Pier Project, including the James R. Herman Cruise Terminal, on Pier 30-32 and SWL 330. (Resolution No. 00-03)

Mr. Paul Osmundson presented the exclusive right to negotiate for the design and development of the Bryant Street Pier Project, as described in the staff report to the Commission. Mr. Osmundson also addressed the concerns stated in Mr. John Infantino's letter.

Michael Sweet, resident of Portside, stated that the Rincon Point South Beach CAC unanimously endorsed the SFCT proposal. He thanked the Commission and staff for including the community.

Dan Byer, on behalf of Travis White of Swinerton and Walberg, indicated their support for the SFCT proposal.

Oscar De La Torre, Laborers Local #261, gave its support to the SFCT proposal.

Mimi Silbert, Delancey Street Foundation, hoped that the Commission supports the Port's staff independent analysis and listen to the overwhelming support of the Rincon Point/South Beach CAC of the SFCT proposal.

Ron Fell, resident of Hills Plaza, stated that SFCT is clearly the winner. Rincon Point/ South Beach CAC and Delancey Street Foundation should be enough to make it a unanimous vote.

Jim Greene, Bayside Village General Manager, supports SFCT proposal. SFCT has demonstrated a sincere effort in putting the community's interest first.

Norman Pearce, Pier 40 Inc., complimented the Port's community outreach efforts and gave his support to the SFCT proposal.

Stacy Slaughter/Alfonso Felder, San Francisco Giants, supported the SFCT proposal. The neighborhood will benefit from SFCT's proposal.

Rick Dickerson, South Beach Marina Apartments, stated that SFCT has gone out of its way to ensure and to maintain the integrity of the neighborhood.

Orville Luster, Executive Director of Youth for Services, gave his support to the SFCT proposal.

Anthony Jones, Delancey Street Foundation, supported the SFCT proposal.

Michael Delane, graduate of Delancey Street Foundation and a SFPD lieutenant, supported the SFCT proposal. SFCT showed sincere interest in finding ways to provide opportunities for minorities.

Louise Bird, resident of South Park, indicated that this project is a wonderful addition to the waterfront. SFCT has hired the best architects in the world and will produce a beautiful cruise terminal.

Gerald Miller, Delancey Street Foundation, was impressed with SFCT because of its concern for the neighborhood.

Jerry Raymond, head of accounting at Delancey Street Foundation, stated that SFCT presents the best financial deal to the Port and supported their proposal .

Ken Hagan, Pier 38 Maritime Recreation Center, supported SFCT's proposal for two reasons: (1) their design is better and (2) adheres to the Port's primary objectives.

Martin Fay, South Beach CAC, SFCT's proposal provides the City's and the Port's needs and gives the neighborhood something to be proud of.

Jan Sandusky, National Association of Women In Construction, supported SFCT proposal.

Timothy Parker, Metropolitan Stevedore Co., gave his support to the SFCT proposal.

Al Pratt, Metropolitan Stevedore Co., stated that SFCT has done a great job of community outreach. They will put as much effort as they can to ensure that the terminal is proper and meets the needs of its customers.

John Infantino, Vice President of LCOR, raised the issue of the $20 million discrepancy between the two proposals and reiterated LCOR's economic proposal and its benefit to the Port. He also raised the issues enumerated in his letter to the Commission and the Port's Executive Director.

James Gibbs, Lehman Brothers, stated that LCOR submitted the best economic proposal to the Port and noted the $20 million discrepancy.

Vincent McCarthy, the Chapman Company, stated that LCOR's proposal provides the best rent to the Port since SFCT proposal is based on participation rent. He commented about the significant economic difference between the two proposals.

Reece Shaw, Mofatt/Nichol, commented on the dredging of the facility, LCOR's proposal of two 1,000 berth is far superior since SFCT does not comply with the Port's RFP, and narrowness of the north berth.

Tom Dahlgreen, Ben Gerwick & Associates, commented that the facility is not capable of sustaining sizable earthquake and supported LCOR's proposal.

James Haas, LCOR, handed the Commission a copy of Lynn Sedway's letter. Steve Vettel, LCOR, indicated that the Port will pay for the cost of Pier 34/36 removal. The risk factors to the Port were not taken into consideration.

John Infantino stated that P&O has a vast interest. Both teams will work with the community even though some community groups have already lined up in support of SFCT. He asked for further analysis. A $10 million loss to the Port is significant. He ask the Commission to delay the decision in order to have an in-depth analysis to evaluate the economics of their proposal.

Natalie Alavi, President NBA Engineering, Inc. indicated that SFCT not only have a strong team but has excellent credentials. Their design maximizes the open space.

Jeffrey Leibovitz, Rincon Point/South Beach CAC, gave his support to SFCT.

Babeth Dreeke, Potrero Hill, stated that SFCT is more responsive to the neighborhood's needs.

Ben Lubbon supported SFCT proposal because of its neighborhood friendliness.

Elizabeth Colton, International Museum of Women, stated that she was pleased with SFCT's design of the cruise ship terminal and it would bring pride to the community.

Dick Millet, Potrero Hill, supports SFCT proposal because of its interest in waterfront access, open space and public access.

Rose Chung, South Beach resident, supports LCOR proposal. She urged the Commission to take more time to analyze the proposals. LCOR provides a better financial return to the Port and the City.

Joyce Armstrong, Potrero Hill, supports SFCT as it will bring more opportunities to the community.

John Bizzell, South Waterfront Forum, gave his support to SFCT and will be working closely with the Port.

Judith Walsh, a homeowner, supports SFCT because its proposal is physically stunning and it will be a signature piece to San Francisco.

Greg Samoulides stated that this project is much more than an economic decision. The neighborhood is overwhelmingly in favor of SFCT.

Greg Roja, Filipino Architects Contractors & Engineers, endorsed SFCT proposal. SFCT is more responsive and more diverse in their MBE/WBE/LBE participation.

Tong Cheung supports LCOR proposal since LCOR is environmentally aware. LCOR understands the health of the environment. It endorses public space for recreational and leisure use for small boats. Less dredging is better.

Richard Ow, Union Member, hoped that the union factor is considered. Supports LCOR because it is 100 percent American company.

Ruben Santiago, a Fremont resident, endorsed LCOR proposal.

Edward Hatter, Potrero Hill and spoke on behalf of Inola Maxwell, commended staff for its review of the proposals. This project is an economic asset to San Francisco. SFCT was willing to listen to community concerns and therefore, received community support.

Ernie Meriweather, We, the People Television, talked about LCOR's outreach program and the many job opportunities it will bring to the City.

Janet Carpinelli stated that SFCT is more neighborhood friendly, its design more creative, has more open space and not overdevelop the pier.

Joe Boss, Potrero Hill, supports SFCT because of its proper scale to the neighborhood and its superb design.

Tim Parker, MTC, stated that they can serve all the ships that are currently calling in San Francisco and will utilize union workers.

Mr. Osmundson addressed Commissioner McWilliams inquiry regarding the projected income and cost associated with the removal of Pier 34-36.

Mr. Peter Dailey, Maritime Director, addressed Commissioner McCarthy's inquiry regarding the cost of dredging and maintenance dredging. Mr. Osmundson addressed Commissioner McCarthy's inquiry regarding the SFCT financial proposal.

Commissioner Lee emphasized the need for a cruise ship terminal that would accommodate today's demand as well as the future. Mr. Osmundson addressed Commissioner Lee's inquiry regarding the cruise terminal's expansion capability and dredging cost.

Commissioner Hardeman commented that that it's refreshing to see the change that the neighborhood is allowing in the area. It's refreshing to see that the neighborhood supports the proposal brought before them.

Commissioner McWilliams commented that it is a great honor for labor to see the James R. Herman Cruise Ship Terminal coming to reality. He expressed his support for the LCOR proposal.

Commissioner Brandon stated that there were two great teams to choose from. Everyone worked long and hard to come to this point. She hoped that everyone will continue to work together and address all issues that were raised.

ACTION: Commissioner McCarthy moved approval; Commissioner Hardeman seconded the motion. Four of the Commissioners were in favor; Commissioner McWilliams cast the dissenting vote. Resolution No. 00-03 was adopted.

B. Authorization to enter into a contract with the consultant team led by Bay Area Economics to evaluate proposals received in response to the Request for Proposals for a San Francisco Bay/maritime oriented public attraction in Pier 45 Shed A at Fisherman's Wharf. (Resolution No. 00-02) ***Deferred to the next meeting***

C. Informational Briefing on the Status of Port Planning & Development Projects. ***Deferred to the next meeting***

9. FINANCE & ADMINISTRATION

10. NEW BUSINESS / PUBLIC COMMENT

11. EXECUTIVE SESSION - *DEFERRED TO THE NEXT MEETING*

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 24-½ (Pier 24 Annex)
Person Negotiating: Port of San Francisco: Paul Osmundson, Director Planning and Development
*Metropolis Partners, Inc. & Polatnick Properties: David A. Agger & David Polatnick

b. Property: Rincon Park Restaurant at Folsom and Embarcadero
Person Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning and Development.
*Nice Ventures Inc.: Reed Hearon

(2) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTER:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
____ As Defendant __X__ As Plaintiff

The meeting was adjourned at 7:55 p.m.

LCOR

LCOR Public/Private, Inc.

1888 Century Park East
Suite 1106
Los Angeles, CA 90067
(310) 407-0957
FAX (310) 407-0955

January 10, 2000

Doug Wong
Director, Port of San Francisco
San Francisco, CA

Dear Doug:

I was shocked when I reviewed the recommendations issued January 7, 2000 by Port staff due to inaccuracies and inconsistencies contained in your recommendation.

I wonder how the Port in good conscience can recommend that speculative percentage rent, contingent upon a developer's return, be accepted over LCOR's guaranteed rent that is almost threefold the guaranteed rent of SFCT. There must be some misunderstanding.

The report recommends the SFCT proposal which offers the city $985,000 in guaranteed annual rent. The LCOR proposal offered $2.4 million per year in guaranteed rent for 66 years. Both developers offered the city percentage rent. The LCOR proposal would generate more than $88.1 million more in guaranteed rent to the Port over 66 years. Also, the report fails to credit LCOR with the additional percentage rent proposed.

The report further fails to compare accurately the project cost accounted for by the developers. The report fails to acknowledge that LCOR has included $20,760,413 in pier improvement costs in order to redevelop the pier. There appears to be no such cost included by SFCT. The LCOR cost schedule includes demolition of Piers 34 and 36, and construction of an additional 22,000 square feet of cruise terminal building. The SFCT proposal does not include these costs. If these costs were deleted from the LCOR proposal, the City would receive an additional $4.48 million in annual guaranteed rent, or an additional $74.5 million guaranteed over the first twenty years, which is $57.5 million more than the SFCT proposal.

These facts demonstrate that the LCOR proposal is clearly superior in terms of feasibility and economics to the Port. We urge you to reconsider and change your recommendation to the Port Commission.

Sincerely,

John D. Infantino

John Infantino
Vice President

CC: Mayor Willie L. Brown, Jr.
Port Commissioners

SAN FRANCISCO
PORT COMMISSION

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REGULAR MEETING
4:00 P.M., TUESDAY, JANUARY 25, 2000
Suite 3100, Ferry Building, S.F. CA 94111

AGENDA

1. **ROLL CALL**

2. **APPROVAL OF MINUTES** - January 6, 2000 Special & Regular Meeting
   - January 11, 2000 Special & Regular Meeting

3. **EXECUTIVE**

   A. Executive Director's Report

      1) Renaming and christening of the Port's newest floating drydock the *"Eureka,"* at Pier 70.
      2) "MV P&O Nedlloyd San Francisco" Maiden Call to Pier 80.

   B. Approval of amendment to the Port Commission By-Laws, to make consistent with the recently adopted Proposition G requirement for 72 hour advance notice for Special Meetings. (Resolution No. 00-10) (Staff report provided to Commission.)

4. **CONSENT CALENDAR**

5. **MARITIME**

   A. Approval of the 5-year terminal agreement with Polynesia Line at Pier 80. (Resolution No. 00-08) (Staff report provided to Commission.)

   B. Approval of a 30-year lease and a 30-year operating agreement with Big C Traders, Inc. at Piers 19-23 (The Embarcadero at Filbert Street). (Resolution No. 00-11) (Staff report provided to Commission.)

6. **REAL ESTATE**

7. **FACILITIES & OPERATIONS**

   A. Informational Briefing on the Status of Port Facilities and Operations Projects. (Staff report provided to Commission.)

   B. Authorization to Award Contract No. 2663, "Hyde Street Harbor Waterside Improvements Project." (Resolution No. 00-09) (Staff report provided to Commission.)

8. PLANNING & DEVELOPMENT

A. Informational Briefing on the Status of Port Planning & Development Projects. (Staff report provided to Commission.)

B. Authorization to enter into a contract with the consultant team led by Bay Area Economics to evaluate proposals received in response to the Request for Proposals for a public attraction in Pier 45 Shed A at Fisherman's Wharf. (Resolution No. 00-02) (Staff report provided to Commission.)

9. FINANCE & ADMINISTRATION

A. Approval of the Port's 2000/01 Operating Budget. (Resolution No. 00-05) (Staff report provided to Commission.)

B. Approval of the Port's 2000/01 Capital Plan. (Resolution No. 00-06) (Staff report provided to Commission.)

10. NEW BUSINESS / PUBLIC COMMENT

Public comment is permitted on any matter within Port jurisdiction and is not limited to agenda items. Public comment on non-agenda items may be raised during New Business/Public Comment. Please fill out a speaker card and hand it to the Commission Secretary. If you have any question regarding the agenda, please contact the Commission Secretary at 274-0406.

11. EXECUTIVE SESSION

A. Vote on whether to hold closed session to confer with Legal Counsel and Real Property Negotiator.

B. CLOSED SESSION

(1) CONSIDERATION OF PUBLIC EMPLOYEE APPOINTMENT – This is specifically authorized under California Government Code Section 54957.

a. Discussion of Appointment of Director of Real Estate

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 1½ - 5
Person Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning and Development.

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to provide instructions to the real estate negotiator regarding issuance of Pier 1 ½ -5 RFP.

b. Property: Western Pacific Property @ 25th & Illinois
Person Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning and Development.
*Municipal Railway: Kerstin Magary

Under Negotiation: ___ Price ___ Terms of Payment _X_ Both
An executive session has been calendared to discuss real estate negotiations regarding the Western Pacific Property @ 25th & Illinois.

(3) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTERS:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (two cases).
___ As Defendant _X_ As Plaintiff

b. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
_X_ As Defendant ___As Plaintiff

12. RECONVENE IN OPEN SESSION

A. Possible report on actions taken in closed session pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

B. Vote in open session on whether to disclose any or all executive session discussions pursuant to Government Code 54957.1 and San Francisco Administrative Code 67.14.

13. ADJOURNMENT

Staff Reports: Explanatory Documents available to the public can be reviewed and copied at the Ferry Building, Suite 3100 or by contacting the Port Receptionist at 415-274-0400.

JANUARY/FEBRUARY 2000
CALENDAR OF UPCOMING PORT MEETINGS - OPEN TO THE PUBLIC

Date	Time	Group	Location
Jan. 24	5:00 p.m.	Rincon Point/ South Beach CAC	So. Beach Yacht Club Pier 40
Jan. 25	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
Jan. 26	4:00 p.m.	Port & BCDC Subcommittee	Port Commission Room Ferry Building
Feb. 2	4:00 p.m.	Northeast Waterfront Advisory Group	Port Commission Room Ferry Building
Feb. 8	4:00 p.m.	Port Commission	Port Commission Room Ferry Building
Feb. 14 *(Cancelled)*	5:30 p.m.	Southern Waterfront Advisory Group	Port Commission Room Ferry Building
Feb. 15	5:30 p.m.	Southern Waterfront Advisory Group	Port Commission Room Ferry Building
Feb. 22	4:00 p.m.	Port Commission	Port Commission Room Ferry Building

NOTES:

The San Francisco Port Commission meets regularly on the 2nd and 4th Tuesday of the month at 4:00 p.m. Contact Amy Quesada at 274-0406 to be placed on the mailing list for Commission meeting agenda.

The Fisherman's Wharf Advisory Group meets regularly on the 3rd Tuesday of the month. The regular meeting time and place is 9:00 a.m. at Scoma's Restaurant, Pier 47, Fisherman's Wharf.

The Northeast Waterfront Advisory Group meets regularly on the 1st Wednesday of the month at 4:00 p.m. in the Port Commission Room, Ferry Building.

The Ferry Building Waterfront Advisory Group does not have any meetings scheduled for January.

The Southern Waterfront Advisory Group meets regularly on the 2nd Monday of the month at 5:30 p.m. in the Port Commission Room, Ferry Building.

The Rincon Point-South Beach CAC meets regularly on the 3rd Monday of the month, from 5:00-7:00 p.m. at the South Beach Yacht Club (Pier 40 on The Embarcadero). Please contact Amy Neches, Redevelopment Agency at 749-2450 for more information.

Port Website

Check out the Port's Website at **www.sfport.com**

Questions/Contacts

Pier 45 Advisory Group	Kirk Bennett	274-0545
Northeast Waterfront Advisory Group	Kirk Bennett	274-0545
Ferry Building Waterfront Advisory Group	Alec Bash	274-0539
Bryant Street Pier Advisory Group	Anne Cook	274-0483
Southeast Waterfront Advisory Committee	Braj Norris	274-0540
Port of San Francisco Reception	Liz Fitzgerald	274-0400

ACCESSIBLE MEETING INFORMATION

The Port Commission office is located on the third floor of the Ferry Building, Suite 3100. The Port office is wheelchair accessible. Accessible seating for persons with disabilities (including those using wheelchairs) will be available. The closest accessible BART and MUNI Metro station is Embarcadero located at Market and Spear Streets. Accessible MUNI lines serving the Ferry Building are the 9, 31, 32 and 71. For more information about MUNI accessible services, call 923-6142.

Accessible parking is provided in the small parking lots adjacent to the Ferry Building; three spaces in the north lot and two spaces in the south lot. These spaces are usually full during business hours. Due to the ongoing construction of the Mid-Embarcadero Roadway Project there are currently no curbside passenger unloading and loading areas. The area of the north parking lot adjacent to the north building entrance should be used for this purpose. Parking is available at Rincon (Spear between Mission & Howard), One Market Plaza (Spear between Market & Mission), Embarcadero Center 4 (Clay between Davis & Drumm) and 50 California Garage (Sacramento between Davis & Drumm).

There are two accessible entrances into the World Trade Center (north wing of the Ferry Building); one on the north and the main entrance on the west (Embarcadero). The west entrance is provided with two doors in series that can be operated automatically. Both entrances lead to the elevator lobby. The two elevators are accessible and lead to the third floor location of the Port of San Francisco's office, Room 3100. The ramp from the lobby to the third floor is too steep to be considered an accessible path of travel. Public restrooms and drinking fountains on the first floor of the World Trade Center (north wing of the Ferry Building) are accessible, as well as the central restrooms within the Port's office area.

Assistive listening devices are available for use in the Port Commission Meeting. The following services are available on request 72 hours prior to the meeting: (1) American Sign Language Interpreters; (2) A Sound Enhancement System; (3) The use of a reader during the meeting and (4) copies of the agenda or minutes of the meeting in alternative formats. Please contact Kevin Jensen, the Port's ADA Coordinator at (415) 274-0555. Late requests will be honored if possible. Please contact the Commission Secretary at (415) 274-0406 should you require large print of the agenda.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical-based products. Please help the City accommodate these individuals.

Know Your Rights Under the Sunshine Ordinance

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, please contact Rachel Arnstine O'Hara, Clerk of the Sunshine Ordinance Task Force at 554-6171; fax 554-6177, City Hall, Room 362, One Dr. Carlton B. Goodlett Place, San Francisco, CA 94102-4683. Her e-mail address is Rachel_ArnstineO'Hara@ci.sf.ca.us. Copies of the Sunshine Ordinance can be obtained from the Clerk of the Sunshine Ordinance Task Force, the San Francisco Public Library and on the City's Website at www.ci.sf.ca.us.

San Francisco Lobbyist Ordinance

Attention: Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance (SF Admin. Code 16.520 – 16.534) to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 1390 Market Street, #701, San Francisco, CA 94102, phone (415) 554-9510 or fax (415) 703-0121 and web site http://www.ci.sf.ca.us/ethics/.

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

January 20, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of amendment to the Port Commission By-Laws, to make consistent with the recently adopted Proposition G requirement for 72 hour advance notice for Special Meetings.

DIRECTOR'S RECOMMENDATION: APPROVE ATTACHED RESOLUTION

The voters approved Proposition G, the Sunshine Initiative, in November 1999. The Sunshine Initiative makes significant revisions to the current Sunshine Ordinance and is effective January 1, 2000.

The Port Commission By-Laws currently state that notice of special meetings shall be delivered personally or by mail at least 24 hours before the time of such meeting. To comply with Proposition G, the Commission's by-laws have to be amended to be consistent with the newly approved Proposition G with regard to the 72-hour notice of special meetings. Therefore, Article II, Item 4 of the Commission's Rules of Order is amended as follows:

- Special meetings of the Commission may be called at any time by the President or by a majority of the members of the Commission by delivering personally or by mail, written notice to each Member of the Commission and to each local newspaper of general circulation, radio or television station requesting notice in writing. Such notice shall be delivered personally or by mail at least *72* hours before the time of such meeting, as specified in the notice ...

A copy of the amendment to the By-Laws will be forwarded to the Commission upon its approval.

This Print Covers Calendar Item No. 3B

PORT COMMISSION
CITY & COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-10

WHEREAS, The voters approved Proposition G, the Sunshine Initiative, in November 1999. The Sunshine Initiative makes significant revisions to the current Sunshine Ordinance and is effective January 1, 2000; and

WHEREAS, The Port Commission By-Laws currently state that notice of special meetings shall be delivered personally or by mail at least 24 hours before the time of such meeting; and

WHEREAS, To comply with Proposition G, the Commission's by-laws have to be amended to be consistent with the newly approved Proposition G with regard to the 72-hour notice of special meetings; now, therefore, be it

RESOLVED, That Article II, Item 4 of the Commission's Rules of Order be amended as follows:

- Special meetings of the Commission may be called at any time by the President or by a majority of the members of the Commission by delivering personally or by mail, written notice to each Member of the Commission and to each local newspaper of general circulation, radio or television station requesting notice in writing. Such notice shall be delivered personally or by mail at least *72* hours before the time of such meeting, as specified in the notice ...

I hereby certify that the foregoing resolution was adopted by the San Francisco Port Commission at its meeting of January 25, 2000.

_____
Secretary

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

January 18, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas Wong
Executive Director

SUBJECT: **APPROVAL OF THE POLYNESIA LINE LTD. 5-YEAR MARINE TERMINAL AGREEMENT**

DIRECTOR'S RECOMMENDATION: APPROVE THE 5-YEAR MARINE TERMINAL AGREEMENT WITH POLYNESIA LINE LTD. AT PIER 80

The Port has concluded negotiations for a five-year Marine Terminal Agreement with Polynesia Line Ltd. for use of Pier 80. Polynesia Line Ltd. offers a service to and from the South Seas Islands and has recently entered a joint service with South Seas Steamship Line, also calling at Pier 80. Their vessels are expected to make a monthly call with their first vessel call between February 9 and April 1, 2000, depending on their exit date from the Port of Oakland. The agreement includes the following terms:

Material provisions of the agreement include the following: (i) five year term, commencing February 1, 2000 with the ability of either party to terminate as of each January 31; (ii) reduced wharfage and dockage rates based on the total annual volume; (iii) nomination of Pier 80 as their regular published Bay Area port of call.

If Marine Terminals Corp. ceases operations at Pier 80, the Agreement also allows termination by either Port or Carrier if they are unable to reach agreement with a new management contractor.

THIS PRINT COVERS CALENDAR ITEM NO. 5A

The Agreement contains an indemnity where Polynesia Line Ltd. agrees to indemnify Port and City for claims resulting from its acts or omissions at the facility. The Port's standard exculpation clause, under which the Carrier waives all claims against Port and City including claims due to Port or City's negligence, has been deleted from this Agreement pursuant to Polynesia Line Ltd. request. In addition, it includes an indemnity to Polynesia Lines from Port and City against claims caused by Port or City's negligence.

As required by the City Charter this indemnity has been approved by the City Risk Manager.

Estimated annual revenue for the Polynesia Line agreement is approximately $110,000 from wharfage, dockage, and crane rental, which is to be shared with MTC per our management agreement with them.

A copy of the agreement is attached hereto.

Prepared by: Peter A. Dailey, Director Maritime

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. **00-08**

WHEREAS, Polynesia Line Ltd. desires to enter into a Marine Terminal Agreement with the Port, for use of Port's marine terminal facilities; and

WHEREAS, said Agreement grants Polynesia Line Ltd. reduced dockage and wharfage charges for the utilization of Pier 80 as their regularly scheduled Northern California port of call; and

RESOLVED, that the San Francisco Port Commission approves the Marine Terminal Agreement with Polynesia Line Ltd., in substantially the form of which is on file with the Secretary of the Port Commission for this agenda item; and be it further

RESOLVED, that the Port Commission authorizes the Executive Director (I) to enter into the Agreement, (ii) to make any necessary refinements to the Agreement as are approved by the City Attorney; (iii) to file the Agreement with the Federal Maritime Commission; and (iv) to take all such further actions as are necessary to put the Agreement into effect.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 25, 2000.

_____

Secretary

CITY AND COUNTY OF SAN FRANCISCO

Willie L. Brown, Jr., Mayor

MARINE TERMINAL AGREEMENT

BETWEEN

Polynesia Line Ltd.

AND

THE CITY AND COUNTY OF SAN FRANCISCO,

A MUNICIPAL CORPORATION, ACTING BY AND THROUGH

THE SAN FRANCISCO PORT COMMISSION

DATED

January 25, 2000

SAN FRANCISCO PORT COMMISSION

KIMBERLY BRANDON, PRESIDENT
BRIAN McWILLIAMS, VICE PRESIDENT
MIKE HARDEMAN, COMMISSIONER
PIUS LEE, COMMISSIONER
DENISE McCARTHY, COMMISSIONER

DOUGLAS WONG
EXECUTIVE DIRECTOR

MARINE TERMINAL AGREEMENT

This non-exclusive Marine Terminal Agreement (the "Agreement") is entered into as of this first day of February 1, 2000 by and between the City and County of San Francisco, a municipal corporation ("City"), acting by and through the San Francisco Port Commission ("Port") and Polynesia Line Ltd., a Bahamian Corporation ("Carrier")

WITNESSETH

WHEREAS, City owns certain property located in the City and County of San Francisco pursuant to an act of the legislature of the State of California commonly known as the "Burton Act" (Statutes 1968, Chapter 1333); and

WHEREAS, Pursuant to the Burton Act and the City's Charter, Port exercises jurisdiction and control over said property; and

WHEREAS, Carrier wishes to use a portion of said property which has been improved with a marine terminal for the purpose of moving waterborne cargo through the Port; and

WHEREAS, Port desires to have Carrier use the property for said uses, with said uses being consistent with the public trusts upon which the property is held;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, Port and Carrier agree as follows:

ARTICLE I. CARRIER'S TERMINAL RIGHTS

Section 1.01 Right to Use Facilities

Carrier shall have a non-exclusive right to use Pier 80, located at the Port of San Francisco in the City and County of San Francisco (the "Facilities") for the purposes set forth in Article III of this Agreement.

Section 1.02 Right to Transfer

If during the Term Port decides to move the location of its marine terminal to another location on Port property, Port shall give Carrier sixty (60) days prior written notice ("60-day Notice") of its decision. Carrier shall notify Port within thirty (30) days after receipt of Port's 60-day Notice, stating its decision to move to such alternative location, or its intent to terminate this Agreement. If Carrier decides to move to the alternate location, such transfer shall be embodied in an amendment to this Agreement, which shall not be effective until filed with the Federal Maritime Commission. If Carrier decides to terminate the Agreement, such termination shall be effective upon the sixtieth (60th) day after Port's 60-day Notice.

It is further understood that if Carrier agrees to move to the alternate Port location, and if the transfer involves a different terminal operator than the operator listed in section 5.01 under this Agreement, Carrier's notice may be conditional upon negotiating new terminal services arrangements with the new terminal operator. Carrier shall use its best efforts in good faith to negotiate new terminal services arrangements with the terminal operator at the new facility. If Carrier after such best efforts is reasonably unable to complete such terminal services arrangements, Carrier may terminate this Agreement on no less than thirty (30) days' prior written notice to the Port. If Carrier is unable to conclude a new agreement prior to the expiration of Port's 60-day Notice, Port shall allow Carrier a reasonable extension of time to conclude its negotiations; provided, however, Port shall not be required to make the original marine terminal available to Carrier after the expiration of Port's 60-day Notice.

Carrier's failure to give notice as provided herein shall be deemed to be an acceptance of the new marine terminal location.

ARTICLE II. TERM

Section 2.01 Commencement of Term

The term of this Agreement shall commence on the first day of the month immediately following the occurrence of all of the following events (the "Commencement Date"):

(a) The filing of this Agreement with the Federal Maritime Commission, and

(b) Approval of this Agreement by the San Francisco Port Commission.

Port will notify Carrier of the Commencement Date in writing when all of the approvals set forth above have been obtained, however failure to do so shall not affect the validity of this Agreement.

Section 2.02 Term Termination

This Agreement shall terminate five years from the Commencement Date, unless terminated earlier as provided for herein.

ARTICLE III. USE OF THE FACILITIES

Section 3.01 Permitted Uses

Carrier shall use the Facilities as its published regularly scheduled Northern California port of call for its service between the U.S. West Coast and the South Pacific Islands for the berthing of Carrier's vessels and the loading and discharging of cargoes therefrom and operations ancillary thereto, and for no other purposes.

ARTICLE IV. COMPENSATION

Section 4.01 When Tariff Provisions Apply

Except as expressly set forth in Section 4.02 below, the provisions of San Francisco Port Commission Tariff No. 4, publishing rules and regulations and rates and charges for wharfinger services at property used as marine terminals at the Port of San Francisco, and amendments and subsequent reissues thereof (collectively, "Tariff"), shall apply to Carrier's use of the Facilities pursuant to this Agreement. Carrier agrees to be bound by and comply with the provisions of the Tariff.

Section 4.02 Fees for Use

As consideration to Carrier for the use of the Facilities as Carrier's regularly scheduled Northern California port of call, the following provisions shall govern the amount of dockage and wharfage due to Port from Carrier as a result of Carrier's use of the Facilities.

(a) Dockage:

Carrier shall pay 60% of the applicable tariff for dockage charges which would otherwise be due to Port pursuant to the provisions of the Tariff.

(b) Wharfage/Full Containers:

Wharfage on full containers shall be paid by Carrier according to the following schedule, base on annual throughput volume per twelve-month Contract Year (as hereinafter defined) of this Agreement:

Wharfage Rate - Containers

$45.00 per Unit for the first 5,999 Units per contract year
$30.00 per Unit for each additional Unit over 5,999 per contract year

(d) Wharfage on empty containers will be $0.00

(e) Wharfage/Breakbulk:

Breakbulk - General	$ 3.09 R/T
Breakbulk - Project Cargo	2.40 per 1000 Kgs
Breakbulk - Radiata Pine	1.44 per CM
Liquid Bulk	1.20 per 1000 Kgs

(f) Equalization/East Bay- An East Bay equalization trucking credit of $20.00 per unit will be granted for cargo originating or destined to East Bay points. The $20.00 will be

credited against wharfage due upon presentation of documentation showing an East Bay point and must be submitted no later than 30 days from the vessel departure date. The equalization is subject to a maximum of 50% of total annual volume.

For the purposes of this section, a "Contract Year" shall commence on each February 1 and shall end on January 31 of the following year. Notwithstanding the Commencement Date, the first Contract Year of this Agreement shall be from February 1, 2000 to January 31, 2001.

Section 4.03 Rate Adjustments

Rates stated in Section 4.02 will be subject to adjustment at the same percentage and at the same time as those authorized by the California Association of Port Authorities for the Port's Tariff No. 4.

Section 4.04 Calculation of Initial Fees

Within ninety days after the Commencement Date, Port and Carrier shall mutually determine the fees due the Port under Section 4.02 above, calculated as if this Agreement had commenced on February 1,2000. Any amount that Carrier paid Port that exceeds the amount that would have been charged under the preceding sentence will be refunded to Carrier after the Commencement Date.

ARTICLE V. MANAGEMENT OF FACILITIES

Section 5.01 Management Agreement

Carrier acknowledges and agrees that as of the Commencement Date, the responsibility of managing the Facilities has been assigned by Port to Marine Terminals Corp. (MTC) pursuant to that certain Management Agreement between MTC and Port dated December 1997.

ARTICLE VI. TERMINATION

Section 6.01 Termination by Governmental Action

In the event the United States of America or the State of California, or any other governmental authority, shall, by condemnation or otherwise, take title, possession or the right to possession of the Facilities, or any part thereof, Port may, at its option, and, if the taking has substantially impaired Carrier's use of the Facilities, Carrier may, at its option, terminate this Agreement as of the date of such taking, and all further obligations of the parties shall end, except as to liabilities which shall have accrued prior to the date of taking.

Section 6.02 Termination by Judicial Action

In the event any court having jurisdiction over the subject matter of this Agreement shall render a decision which has become final and which will prevent the performance by Carrier or Port of their obligations hereunder, then either party may terminate this Agreement upon thirty (30) days written notice, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrued prior to the effective date of termination) shall thereupon terminate.

Section 6.03 Right of Termination

Carrier shall have the right to terminate this Agreement without penalty effective on February 1, 2001 and on each February 1 thereafter throughout the Term (each "Termination Date"). Carrier must exercise such termination right by delivering written notice of termination from or to Port or Carrier at least sixty (60) days prior to the applicable Termination Date upon which Carrier desires to terminate. In the event Carrier fails to give timely notice, Carrier may not terminate this agreement until the following Termination Date with proper notice as set forth herein.

Section 6.04 Termination by Resignation of Terminal Contractor

In the event Management Contractor, as defined in Section 5.01, gives Port notice of its intention to cease operations at the Port, Port shall notify Carrier of such notice within ten (10) days. Port shall make its best effort to negotiate an agreement with a new management contractor. In the event Port is unable to successfully conclude such an agreement within sixty (60) days after receiving such notice from Management Contractor, the Port may, at its option, terminate this Agreement upon ninety (90) days prior written notice to Carrier, and all rights and obligations hereunder (with the exception of any undischarged rights and obligations that accrue prior to the effective date of termination) shall thereupon terminate.

It is further understood that if in such event a new management contractor is appointed other than defined in Section 5.01 under this agreement, Carrier shall use its best efforts in good faith to negotiate new terminal services arrangements with the new management contractor and if Carrier after such best efforts is reasonably unable to complete such terminal services arrangements, Carrier may terminate this Agreement on not less than sixty (60) days prior written notice to the Port.

ARTICLE VII. MISCELLANEOUS PROVISIONS

Section 7.01 Taxes

A possessory interest subject to property taxation may be created by this Agreement, and it is understood by the Carrier and the Port that the Port of San Francisco will be

responsible for the payment of property taxes levied on such possessory interest. The Carrier will not be billed by the Port or be responsible for payment of the possessory interest. Carrier agrees to provide to Port all information requested by Port for tax purposes, including but not limited to the information described in California Revenue and Taxation Code Section 480.5.

Section 7.02 Books and Records

Carrier shall keep full and accurate books, records and accounts relating to all its operations upon the Facilities, including without limitation, the tonnage of revenue cargo handled, vessel occupancy of the berths and containers handled. Port shall have the right and privilege through its representatives and at all reasonable times to inspect such books, records and accounts. If such books, records and accounts are not kept and maintained within a 25-mile radius of the City and County of San Francisco, Carrier shall make such books, records and accounts available for inspection within said 25-mile radius.

Section 7.03 Nondiscrimination

In the performance of this Agreement, Carrier covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Carrier, in any of Carrier's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Carrier. The provisions of Chapter 12C of the San Francisco Administrative Code, relating to nondiscrimination by parties contracting with the City and County of San Francisco, are incorporated herein by this reference and made a part hereof as though fully set forth herein. Carrier agrees to comply with all provisions of Chapter 12C of the San Francisco Administrative Code which apply to Carrier's use of the Facilities pursuant to this Agreement.

Section 7.04 Hazardous Materials, Etc.

In addition to provisions in the Tariff governing discharge of oil upon navigable waters (Item 113) and explosives and other hazardous and dangerous cargo (Item 117), Carrier will comply with the labeling, packaging, storage and documentation requirements for hazardous materials contained in Title 49, Code of Federal Regulations Parts 100-195, United States Department of Transportation Regulations and the marine pollution regulations contained in Title 33, Code of Federal Regulations Parts 151-157, Navigation and Navigable Waters. The references to certain laws and regulations set forth above shall apply to any modification, re-issues or amendments to said laws or regulations. In addition, Carrier will report immediately all accidents involving spills of corrosives, explosives or other flammable or dangerous cargoes to the appropriate federal, state, local and Port authorities. As used in this Agreement, " hazardous

materials" shall mean any substance, waste or material which has been determined by any state, federal or local government authority to be a hazardous or toxic substance or material including without limitation, any hazardous substance as defined in Section 101 (14) of CERCLA (42 USC Section 9601 (14)) or Section 25281 or 25316 of the California Health and Safety Code, and any hazardous material as defined in Section 25501 of the California Health and Safety Code, and any additional substances or materials which at such time are classified or considered to be hazardous or toxic under any federal, state or local law, regulation or other exercise of governmental authority. If the presence of any hazardous material on the Facilities caused or permitted by Carrier results in any contamination of the Facilities, Carrier, at its sole expense, shall promptly take all action that is necessary to return the Facilities to the condition existing prior to the introduction of such hazardous material onto the Facilities; provided that Port approval of such actions shall first be obtained, which approval shall not unreasonably withheld as long as such actions could not potentially have any material adverse effect upon the Facilities. Carrier's obligations hereunder shall survive the termination of this Agreement.

Section 7.05 Exculpation and Indemnity

(a) Exculpation. Carrier, as a material part of the consideration to be rendered to Port, hereby waives any and all claims against the City and Port, and their officers, agents and employees, and agrees to hold Port and City and their officers, agents and employees harmless from any claims for damages to goods, wares, goodwill, merchandise, equipment or business opportunities and by persons in, upon or about said Facility for any cause arising at any time, including all claims arising from the joint or concurrent negligence of Port or City, or their officers, agents, or employees, but excluding any intentionally harmful acts committed solely by Port or City.

(b) General Indemnity. Carrier agrees to indemnify, hold harmless and defend, the City and Port and their officers, agents and employees, against any and all claims, judgments, losses, costs, damages, penalties, fines or liabilities of whatever kind (collectively "Claims") arising in any manner out of any injury to or death of any person or damage to or destruction of any property occurring in, on, under or about the Facilities, or any part thereof, whether to the person or property of Carrier, its employees, agents, consultants, contractors, or subcontractors (collectively "Agents"), or third persons, resulting from any use or activity of Carrier or its Agents under this Agreement, (ii) any failure by Carrier to faithfully observe or perform any of the terms, covenants or conditions of this Agreement, or (iii) the use of the Facilities or any activities conducted thereon under this Agreement by Carrier or its Agents; except only to the extent of Claims resulting directly from the negligence or willful misconduct of the City or Port or either's authorized representative.

(c) Toxics Indemnity. Carrier agrees to indemnify, hold harmless and defend the City and Port and their officers, agents and employees, from and against any and all claims, demands, actions, causes of actions or suit (actual or threatened), losses, costs, expenses, obligations, liabilities, or damages, including interest, penalties, diminution in value of the facilities, engineering consultant and attorneys fees of every kind, nature and description, (collectively "Toxics Claims") resulting from any Release of a Hazardous Material caused by or allowed by Carrier or its agents whether or not the Hazardous Materials at the Facilities were present prior to execution of this Agreement; (ii) any requirement of a regulatory agency for investigation or

remediation of any Hazardous Materials at the Facilities arising out of or in connection with the activities under this Agreement; or (iii) any breach of or failure to duly perform or observe any term, covenant or agreement in this Agreement to be performed or observed by Carrier, including but not limited to, any violation of any Environmental Law; except only to the extent of Toxic Claims resulting directly from the negligence or willful misconduct of City or Port or either=s authorized representative. "Environmental Laws" means present or future any federal, state or local laws, ordinances, regulations or policies relating to Hazardous Material (including, without limitation, their use, handling, transportation, production, disposal, discharge or storage) or to health and safety, industrial hygiene or environmental conditions in, on, under or about the Permit Area, including, without limitation, soil, air, bay water and groundwater conditions.

(d) The indemnity obligations in paragraph 7.05 (b) and (c) shall include reasonable attorneys' fees, investigation costs and all other reasonable costs and expenses incurred by the indemnified party from the first notice that any Claim or Toxics Claim is or may be made. The provisions of this paragraph shall survive termination of this Agreement.

(e) As approved by the City's Risk Manager – Port and City agree to indemnify, defend and hold Carrier, its vessels, owners or agents harmless from and against any and all losses, expenses, claims, actions or liabilities to the extent the same is caused by the negligence or willful misconduct of Port or City.

(f) In addition to Carrier's obligation to indemnify and hold harmless the City and Port, Carrier specifically acknowledges and agrees that it has an immediate and independent obligation to defend the City and Port from any Claim or Toxics Claim which actually or potentially falls within the indemnification provisions of paragraph 7(b) or 7(c), even if the allegations are or may be groundless, false or fraudulent. Carrier's obligations to defend shall arise at the time such Claim or Toxics Claim is tendered to Permittee by City or Port and shall continue at all times thereafter.

Section 7.06 Compliance with Laws.

Carrier, at Carrier's expense, shall comply with all laws, ordinances, judicial decisions, orders and regulations of federal, state, county and municipal governments and the departments, courts, commissions, boards and officers thereof pertaining to Carrier's use of the Facilities in effect either at the Commencement Date or at any time during the term.

Section 7.07 Notices

Any notice, demand or request provided for or permitted to be given pursuant to this Agreement must be in writing and shall be given or served by personal delivery or sent prepaid by either: (a) first-class mail; (b) certified mail with return receipt requested; or (c) overnight delivery service.

Notices shall be addressed as follows:

To Port: Executive Director
Port of San Francisco

Ferry Building, Suite 3100
San Francisco, CA 94111

To Carrier: Polynesia Line, Ltd.
c/o Interocean Steamship Corporation
351 California St., 9th Floor
San Francisco, CA 94104
Attn: Jens Jensen

Section 7.08 Waiver.

No waiver by either party at any time of any of the terms, conditions, covenants or provisions of this Agreement shall be deemed or taken as a waiver at any time thereafter of the same or any other term, condition, covenant or provisions herein contained nor of the strict and prompt performance thereof by the party obligated to perform.

Section 7.09 Applicable Law

This Agreement shall be governed by the laws of the State of California.

Section 7.10 Severability

Should any of the covenants, terms, conditions or provisions set forth in this Agreement be held by a court of competent jurisdiction to be illegal or in conflict with any applicable law, the validity of the remaining portions or provisions shall not be affected thereby.

Section 7.11 Amendments

Neither this Agreement nor any of the terms or conditions hereof may be amended, modified or waived, except by an instrument in writing signed by both Carrier and Port and filed with the Federal Maritime Commission.

Section 7.12 Assignment

Carrier may not assign, convey, encumber, or otherwise transfer (collectively "Transfer") this Agreement without the prior written consent of Port, not to be unreasonably withheld. Notwithstanding the foregoing, the term "Transfer" shall not include any partnership, corporation or other entity which controls, is controlled by, or is under common control with Carrier or Carrier's parent (control being defined for such purposes as ownership of at least 50% of the equity interests in, or the power to direct the management of, the

relevant entity) or to any partnership, corporation or other entity resulting from a merger or consolidation with Carrier or Carrier's parent, or to any person or entity which acquires substantially all the assets of Carrier as a going concern (collectively, an "Affiliate"), provided that (i) Port receives prior written notice of an assignment, (ii) the Affiliate has proven experience in the operation of the uses contemplated by this Agreement, (iii) the Affiliate remains an Affiliate for the duration of the balance of the term in the event of an assignment, (iv) the Affiliate assumes (in the event of an assignment) in writing all of Carrier's obligations under this Agreement, and (v) Port receives a fully executed copy of an assignment agreement between Carrier and the Affiliate.

Section 7.13 Successors

Subject to the provisions of Section 7.12 above, this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Port and Carrier.

Section 7.14 MacBride Principles-Northern Ireland.

The City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

Section 7.15 Tropical Hardwood Ban.

The City and County of San Francisco urges Carrier not to import, purchase, obtain, or use for any purpose, any tropical hardwood or tropical hardwood product or virgin redwood or virgin redwood product.

Section 7.16 Tobacco Products Advertising Ban. Carrier acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the City. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or non-profit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.
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IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the day and year first written above.

PORT

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation, acting
by and through the SAN FRANCISCO
PORT COMMISSION

By:_____
Name: Douglas Wong
Title: Executive Director

Date Executed:_____

CARRIER:

Polynesia Line Ltd., a Bahamian
Corporation

By: _____
Name:
Title:

Date Executed: _____

APPROVED AS TO FORM:

LOUISE H. RENNE
City Attorney

By:_____
Deputy City Attorney

I have read and understood paragraph 7.14 the City's statement urging companies doing business in Northern Ireland to more towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles.

PORT COMMISSION RESOLUTION

No.
By:_____
Secretary
PORT COMMISSION

FMC No._____

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

January 20, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice-President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: APPROVAL OF 30-YEAR LEASE AND A 30-YEAR OPERATING AGREEMENT WITH BIG C TRADERS, INC. AT PIERS 19-23 (THE EMBARCADERO AT FILBERT STREET), FOR THE OPERATION OF FOREIGN TRADE ZONE #3.

DIRECTOR'S RECOMMENDATION: APPROVE 30-YEAR LEASE AND 30-YEAR OPERATING AGREEMENT WITH BIG C TRADERS, INC.

BACKGROUND:

By a Grant (the "Grant") dated March 10, 1948, and pursuant to the authority granted to it by the United States Congress (48 Stat.998; U.S.C.A. Title 19, § § 81a – 91u), the Foreign Trade Zone Board granted to the Port Commission through the Port's predecessor, the Board of State Harbor Commissioners for the Port of San Francisco, the right to establish, operate and maintain a Foreign Trade Zone in San Francisco, California. By an agreement entitled "Foreign Trade Zone #3 Operating Agreement," (The "Operating Agreement") dated March 30, 1998 (Port Commission Resolution No. 98-28), the Port Commission granted to Big C Traders, Inc. ("Big C Traders"), the right to operate Foreign Trade Zone #3 under the terms and conditions of the Grant. Concurrent with its approval of the Operating Agreement, the Port Commission approved entering into a five (5) year lease (Lease No. L-12569) with Big C Traders for the Foreign Trade Zone #3 location at Piers 19-23 (Port Commission Resolution No. 98-28).

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Since that time Big C Traders has studied and analyzed the workings of Foreign Trade Zone #3 and compared its operation to those of other Foreign Trade Zones in the United States and comparable facilities in Europe and Asia. As a result of these studies, Big C Traders believes that the success of Foreign Trade Zone #3 requires a complete overhaul of its approach to trade generation.

When Big C Traders assumed control of Foreign Trade Zone #3 from the previous operator, Foreign Trade Services, Inc., the Piers 19-23 facility housing Foreign Trade Zone #3 consisted primarily of warehousing services and storage space for importers and exporters. A small amount of office space was available to these users, some of it in "temporary" portable office trailers.

Emphasizing the Port's proximity to "Silicone Valley", the fantastic growth in E-Commence, the need for ever faster means of telecommunication and San Francisco's key position as a leading Pacific Rim trading partner, Big C Traders has approached the Port with a proposal to develop at Foreign Trade Zone #3 what Big C Traders refers to as a "Virtual Foreign Trade Zone."

The Virtual Foreign Trade Zone envisioned by Big C Traders would provide high speed internet access and telecommunication facilities for importers, exporters, manufacturing representatives, foreign trade missions, the U.S. Customs Office and others directly involved in the business of foreign trade. In addition to warehouse space and warehousing facilities, Big C Traders proposes to provide fabrication and assembly facilities to foreign companies seeking a "Made in U.S.A." exemption from U.S. Customs duties. Trade show facilities would be offered along with permanent and temporary offices for those firms utilizing the Foreign Trade Zone #3 facilities. A container freight station ("C. F. S.") is also envisioned along with a waterborne freight "bus" providing container transit from the East Bay and Port of San Francisco locations to Piers 19-23.

This effort to create a virtual Foreign Trade Zone will involve the demolition and redevelopment of up to 50,000 square feet of new Office Space (of which 10,000 square feet will be incremental to the existing office space in the Foreign Trade Zone) inside the Pier 19-23 facility as well as other significant improvements to the warehousing operation. The expenditure for this new development is estimated by Big C Traders to be in excess of $5,000,000.00. In order to provide affordable office and warehousing services to its customers the new Lease and Foreign Trade Zone Operating Agreement allows for a twenty eight (8) year period from the date of completion of the new improvements in which to amortize this substantial investment.

Because of the maritime nature of the proposed operation as a Foreign Trade Zone, the proposed use is a valid Trust Use. As a maritime use the proposed Lease and Operating Agreement are not subject to review by the Board of Supervisors (Charter § 9.1189(c)).

To that end Port staff and Big C Traders have negotiated the terms of a new Lease (Lease No. L-12853) and a new Operating Agreement on the following terms and conditions.

The Office of Environmental Review of the Planning Department of the City and County of San Francisco has determined that the proposed development anticipated by the lease is "Categorically Exempt" from further environmental review. A copy of the exemption letter is on file with the Port Commission Secretary.

Lease No. L-12853

Tenant:	Big C Traders, Inc. a California corporation
Premises:	Piers 19-23 (approximately 240,000 square feet of interior space and adjacent pier aprons.
Terms:	30 years.
Commencement Date:	February 1, 2000
Termination Date:	January 31, 2030
Rent:	For the period February 1, 2000 through January 31, 2001 $26,780.00 per calendar month; For the period February 1, 2001 through January 31, 2003 67,322.00 per calendar month; The total of rents to be paid for this period are equal to the rents that would have been received pursuant to the Port's existing lease with Big C Traders set to expire on March 31, 2003.

Following the completion of the New Office Space, the rent will be adjusted to reflect the total amount of Office, Shed and Apron Space comprising the Premises at rates equal to the median rental rate pursuant to the then effective Port Commission approved Maritime Rental Rate Schedule for each such use. Similar Maritime Rental Rate Schedule adjustments are made every ten (10) years except for the last two years of the term. A minimum fifteen percent (15%) required CPI based adjustments are to be made every intervening five (5) years.

At the end of the third lease year, the Port shall measure the Premises to determine how many rentable square feet of the Premises consist of Office Space; how many rentable square feet of the Premises consist of Shed Space and how many rentable square feet of the Premises consist of Pier Apron Space.

For purposes of this Lease "Office Space" shall mean any portion of the Premises with walls ceilings and floors, with or without windows, designed to accommodate any of the administrative office uses, trade show display rooms, conference rooms, teleconferencing centers and the canteen permitted in Section 1.8 of the Lease. Each floor of Office Space (including any mezzanine level Office Space), shall be separately measured. For purposes of this Lease "Shed Space" shall mean the balance of the Premises within the building area on the Premises not dedicated to Office Space. For purposes of this Lease "Apron Space" shall mean those portions of the Premises not occupied by buildings. For purposes

of this Lease "rentable square feet" means the actual square footage area of the Office Space, Shed Space or Apron Space, using the Building Owners and Managers Association International ("BOMA") standard for office and/or industrial measurement.

(a) Following the Port's measurement of the Premises, the Base rent shall be adjusted as of February 1, 2003 to reflect the application of the following formula:

i) For each square foot of Office Space: the greater of $0.90 or the then median monthly rental rate for Office Space pursuant to the then current Port Commission approved Maritime Rental Rate Schedule; plus
ii) For each square foot of Shed Space: the greater of $0.25 or the then median monthly rental rate for Shed Space (or Warehouse Space) pursuant to the then current Port Commission approved Maritime Rental Rate Schedule; plus
iii) For each square foot of Apron Space not dedicated to public access, the greater of $0.10 or the then median monthly rental rate for Apron Space not dedicated to public access pursuant to the then current Port Commission approved maritime Rental Rate Schedule.

(b) Effective February 1, 2008, the Base Rent shall be adjusted for the succeeding five (5) Lease Years in direct proportion to the percentage increase in the Current Index over the Base Index. In no case shall the Base Rent, as adjusted be less than the Base Rent, for the Lease Year immediately prior to February 1, 2008. If the Current Index has increased over the Base Index, the adjusted Base Rent for the period February 1, 2008 through January 31, 2013 shall be determined by multiplying the Base Rent for the Lease Year immediately prior to February 1, 2008 by a fraction, the numerator of which is the Current Index, and the denominator of which is the Base Index, as follows:

$$\frac{\text{Current Index}}{\text{Base Index}} \times \text{Previous Base Rent} = \text{Adjusted Base Rent}$$

(b) Effective as of February 1, 2013, the Base Rent shall be adjusted for the succeeding five (5) years to reflect the application of the following formula:

i) For each square foot of Office Space: a sum equal to the then median monthly rental rate for Office Space pursuant to the then current Port Commission approved Maritime Rental Rate Schedule; plus
ii) For each square foot of Shed Space: a sum equal to the median monthly rental rate for Shed Space (Warehouse Space)

pursuant to the then current Port Commission approved Maritime Rental Rate Schedule; plus

iii) For each square foot of Apron Space not dedicated to public access: a sum equal to the then median monthly rental rate for Apron Space pursuant to the then current Port Commission approved Maritime Rental Rate Schedule.

In no event shall the Base Rent for the five (5) year period commencing February 1, 2013 be less than One Hundred Fifteen percent (115%) of the Base Rent for the preceding Lease Year.

(d) Effective February 1, 2018, the Base Rent shall be adjusted for the succeeding five (5) Lease Years in direct proportion to the percentage increase in the Current Index over the Base Index. In no case shall the Base Rent, as adjusted be less than the Base Rent, for the Lease Year immediately prior to February 1, 2018. If the Current Index has increased over the Base Index, the adjusted Base Rent for the period February 1, 2018 through January 31, 2023 shall be determined by multiplying the Base Rent for the Lease Year immediately prior to February 1, 2018 by a fraction, the numerator of which is the Current Index, and the denominator of which is the Base Index, as follows:

$$\frac{\text{Current Index}}{\text{Base Index}} \times \text{Previous Base Rent} = \text{Adjusted Base Rent}$$

(e) Effective as of February 1, 2023, the Base Rent shall be adjusted for the succeeding five (5) years to reflect the following formula:

iv) For each square foot of Office Space: a sum equal to the then median monthly rental rate for Office Space pursuant to the then current Port Commission approved Maritime Rental Rate Schedule; plus

v) For each square foot of Shed Space: a sum equal to the then median monthly rental rate for shed space (Warehouse Space) pursuant to the then current Port Commission approved Maritime Rental Rate Schedule; plus

vi) For each square foot of Apron Space not dedicated to public access: a sum equal to the then median monthly rental rate for Apron Space pursuant to the then current Port Commission approved Maritime Rental Rate Schedule.

In no event shall the Base Rent for the five (5) year period commencing February 1, 2023 be less than One Hundred Fifteen percent (115%) of the Base Rent for the preceding Lease Year.

(f) Effective February 1, 2028, the Base Rent shall be adjusted for the succeeding and remaining two (2) Lease Years in direct proportion to the percentage increase in the Current Index over the Base Index. In no case shall the Base Rent, as adjusted be less than the Base Rent, for the Lease Year immediately prior to February 1, 2028. If the Current Index has increased over the Base Index, the adjusted Base Rent for the period February 1, 2028 through January 31, 2030 shall be determined by multiplying the Base Rent for the Lease Year immediately prior to February 1, 2028 by a fraction, the numerator of which is the Current Index, and the denominator of which is the Base Index, as follows:

$$\frac{\text{Current Index}}{\text{Base Index}} \times \text{Previous Base Rent} = \text{Adjusted Base Rent}$$

Permitted Use:

The Premises shall be used to conduct the operation of a Foreign Trade Zone in accordance with Tenant's rights and duties under the Operating Agreement, including without limitation, product manufacturing and assembly; bonded warehousing; a container freight station ("CFS"), administrative office use by those engaged in foreign trade as their sole activity on the Premises either as importers, exporters, distributors, wholesalers, trade representatives, brokers, marine insurers, United States of America and foreign country trade missions, manufacturers' representatives, admiralty law offices; and such other foreign trade entities as may be reasonably approved in writing by Port; conference rooms; office suites; stenographic services; copying centers; trade show display rooms; teleconferencing centers; telecommunication facilities, including without limitation, up to three satellite dish antennae each of up to three (3) meters in diameter, up to three (3) co-location Monopole wireless communication antennae and related transmission facilities; and other foreign trade related uses as may be reasonably approved by Port; Agent and Invitee parking; the operation of a beverage and snack canteen ("Canteen") of not greater than 750 square feet; a catering kitchen, and administrative offices necessary for the administration of the Premises and the day to day management of the Foreign Trade Zone uses outlined above and for no other use without the prior written consent of the Port Commission, which consent may be given, withheld, or conditioned in its sole discretion. The Tenant shall not use the Premises for (i) office uses or any other use not directly connected to Foreign Trade Zone activities, as permitted in the Operating Agreement; (ii) for retail purposes; or (iii) for the sale of goods and services to the general public other than as permitted in the Operating Agreement.

Nothing in the Lease shall preclude the Port from leasing other Port facilities to other users for Foreign Trade Zone activities, or

	from establishing subzones, annexes or extensions of Foreign Trade Zone #3 outside the Premises as a courtesy to Tenant, Port shall inform Tenant concerning Port's substantive negotiations with other users contemplating a lease of other Port property(ies) for Foreign Trade Zone activities.
Maintenance and Repairs:	Except for the pier pilings and substructure and the pier fendering systems, all other items of repair and maintenance to the Pier 19-23 facility will be the sole responsibility of Big C Traders throughout the 30 year Term.
Rent Credits for Needed Repairs:	A one time rent credit will be available in the first three years for the replacement of the facility roof, the painting and waterproofing of the exterior walls and placing all roll-up doors in good and serviceable condition. (§§40, 41 and 42). A maximum of $685,000 is allowed for the new roof. A maximum of $235,000 is allowed for painting and waterproofing. Any roll-up door repairs in excess of $20,000 must be approved by the Port Commission. (Note: Standard real estate industry practice would place this responsibility on the Landlord. Budget and human resource considerations dictate that these costs be expended by the Tenant subject to reimbursement via the Port Commission approved Rent Credit Policy).
Rent Credits for Repairs and Maintenance Otherwise the Obligation of the Port	Rent credits are available for the reasonable costs of repairs and maintenance which are the obligation of the Port under the terms of the Lease, but which the Port is unable to effect due to fiscal or human resource deficiencies. No such rent credit may exceed $10,000.00 without Port Commission approval.
Utilities and Services:	All utilities, (e.g. gas, electric, telecommunication, water and sewer) and all services (e.g. garbage and refuse collection, pest and vector abatement, janitorial services, etc.) are the sole responsibility of Big C Traders (§§ 1.10 and 12).
Assignment and Subletting:	Assignment and subletting of the Premises to other than Foreign Trade Zone users is permitted only with the approval of the Port Commission (§ 21).
Subletting for Foreign Trade Zone Uses:	The Port acknowledges that it is a function of a Foreign Trade Zone to provide offices, warehouse space, CFS space, manufacturing and assembly facilities, office services, warehouse services, berthing and stevedoring services and similar Foreign Trade Zone services to others on both a contract and a sublease basis. Accordingly, Big C Traders will be permitted to sublease space in the Premises and to contract warehouse services, office services, berthing and stevedoring services and other services

directly related to the operation of a Foreign Trade Zone to third parties provided Big C Traders first satisfies the following conditions:

(a) Not less than thirty (30) days prior to the commencement of any such sublease or service contract, Big C Traders shall deliver to the Port a copy of the fully executed sublease or service contract along with:

i) The name and address of the subtenant or contracting party;
ii) The names of the principals and/or corporate officers of the subtenant and/or contracting party;
iii) The name and address of the California Agent Service of Process of any corporation proposed as a subtenant or contracting party;
iv) copy of such subtenant's or contracting party's City and County of San Francisco Business License and if the proposed subtenant or contracting party is a corporation, a copy of such filings as may be from time to time required by the State of California Secretary of State in order to conduct business in the State of California whether by a domestic or a foreign corporation;
v) Evidence acceptable to the Port that such subtenant(s) and contracting party(ies) maintain such insurance coverages as set forth in Section 17 et seq. of the Lease. All such policies shall provide for coverage of additional insureds identifying the City and the Port as set forth in Section 17.6 of the Lease; and
vi) A full description of the proposed subtenant's or contracting party's Foreign Trade Zone activities to be conducted in the Premises.

(b) Within thirty (30) days of the Port's receipt of all of the information required hereabove, the Port shall approve or disapprove Big C Traders's proposed sublease or contract in writing. The Port's approval or disapproval shall not be unreasonably withheld or delayed. Any disapproval of a prospective subtenant or contracting party shall be accompanied by a written statement of the Port's reasonable reasons for such disapproval. The Port may disapprove a proposed subtenant or contracting party on any reasonable ground. Reasonable grounds may include, without limitation, any one or more of the following:

i) that the proposed use of the Premises by the subtenant or contracting party is not consistent with the uses permitted in Section 1.8 of the Lease (Permitted Use);
ii) that the proposed use of the Premises by the subtenant or contracting party is not consistent with the effective operation of a Foreign Trade Zone;

iii) that the nature of the proposed subtenant's or contracting party's intended or likely use of the Premises would involve an increased risk of the use, release or mishandling of Hazardous Materials or otherwise involve an increased risk of fire or other casualty;

iv) that the business reputation or character of the proposed subtenant or contracting party or any of its affiliates is not reasonably acceptable to the Port, or

v) the proposed subtenant or contracting party would be in immediate violation of Section 29 (City Requirements) of the Lease.

(c) If Big C Traders has complied with all of the provisions of the Lease, the Port's failure to approve or disapprove any such Foreign Trade Zone related subtenant or contracting party within thirty (30) days of Big C Trader's request for approval shall constitute an approval of such subtenant or contracting party (a "Silent Approval"). However, no Silent Approval by the Port will be valid should any approval of a proposed subtenant or contracting party or their proposed use of the Premises would constitute an illegal act under any Laws.

(d) Any sublease made pursuant to the Lease shall be in a form substantially in conformance with the Port's standard sublease form.

(e) While the Port is entitled to a portion of sublease profits attributable to the sublease of Office Space, Big C Traders may sublet warehouse space and warehousing services to Foreign Trade Zone users without such participation.

Port's Right to Sublease And Assignment Profit:

Sublease and Assignment: The Port shall be entitled to 100% of all sublease profits and/or lease assignment consideration and to a percentage of Office Space sublease profits as described in the following paragraph.

Foreign Trade Zone Users: During the first 10 years following completion of all Office Space (February 1, 2003 through January 31, 2013) the Port will be entitled to 25% of the Office Space sublease profits. During the last 17 years of the Term the Port will be entitled to 50% of all new Office Space sublease profits. (§21.8) Allowances are made for Big C Traders' reasonable operation and property management costs.

Obligation to Construct Office Space:

As a material consideration of the Port's agreement to enter into the Lease, Big C Traders agrees to construct not less than 30,000 but not more than 50,000 square feet of New Office Space in the Pier 19-23 Premises.

Following completion of the new Office Space, Big C Traders' rent will be adjusted to reflect at least a $.90 per square foot per month rent for the Office Space. In essence the Port will be charging Big C Traders rent for improvements constructed by and paid for by Big C Traders.

Big C Traders will be entitled to a Rent Credit equal to the lesser of (a) Big C Trader's actual "Certified Construction Costs" to design and build the Office Space divided by the total square footage of Office Space and further divided by 120; or (b) $.70 per square foot per month.

As an example, if Big C Traders developed 50,000 square feet of Office Space and the cost to design and construct the Office Space was $3,300,000 ($66.00 per square foot, the Office Space Rent Credit would be $.55 per square foot per month or $27,500 $3,300,00 ÷ 50,000 square feet 120 months = $.55 per square foot).

If for further example, Big C Traders' cost to design and construct 50,000 square feet of Office Space were $4,800,000 ($96.00 per square foot) the Rent Credit would be $35,000 or $.70 per square foot that sum being less than $4,800,000 ÷ 50,000 ÷ 120 = $.80).

The Rent Credit provides a 10 year straight line amortization of Big C Trader's investment in the property and does not take into account the cost of financing. The maximum per square foot cost for new office space available for rent credits is capped at $84.00 or $.070 per square foot per month.

Port's Right to Terminate: At any time following the thirteenth year of the Lease the Port may terminate the Lease at Pier 23 upon twelve (12) months written notice and the payment of a lease termination fee equal to six (6) months Rent attributable to the Pier 23 premises actually taken and the value of any unapplied rent credits directly attributable to the Pier 23 premises actually taken.

Operating Agreement

The proposed Operating Agreement between the Port and Big C Traders mirrors the Operating Agreement with Big C Traders approved by the Port Commission on March 30, 1998 (Port Commission Resolution 98-28). Additional language has been added to include new City requirements. The term of the Operating Agreement reflects the 30 year term of the new Lease. Both the Operating Agreement and Lease No. L-12853 provide for defaults for an uncured breach of the other agreement.

Conclusion: The efficient and effective operation of Foreign Trade Zone #3 requires that Big C Traders be able to offer facilities competitive with other foreign trade zones. The development of additional office space will provide the synergy necessary to attract additional customers to Foreign Trade Zone #3 and, through its operation, enhance cargo activity at the Port's container terminals. Port staff recommends Port Commission approval of the Lease No. L-12853 and the accompanying Operating Agreement.

CASH FLOW PROJECTION

Big C projects its office space development costs at greater than $84.00 per square foot (the maximum amount available for rent credit application). Based on an anticipated rental rate for the Office Space of $2.50 per square foot for fully serviced offices, and positing market consistent operating and administrative costs of $.60 per square foot of net rentable space, Port staff anticipates that Lease No. L-12853 will generate the following net revenues to the Port unadjusted for inflation.

Lease Yr.	
1.	321,360
2.	602,660
3.	602,660
4-8	1,023,135
9-13	1,178,107
13-18	2,100,170
19-23	2,415,200
23-30	2,777,475

Note these figures anticipate Office Space rental rate and operating expense increases of approximately 2.8% per year (15% every five years). Port staff believes that it is reasonable to assume rental rates for this office space will rise beyond this level, but such assumptions are not included in the analysis.

Years				
1	as per Lease			$ 321,360
2				602,640
3				602,640
4-8	A. Shed 237,045 s.f @ .25	*		$ 711,135
	B. Stringer not dedicated to public access: 35,000 s.f. @ .10			42,000
	C. Office Base 50,000 @ .90 less .70 rent credit			120,000
	D. Percentage Rent (25% of net)			
	Office Rate @	2.50		
	Less Base Rent	.90		
	Less operating costs	.60		
		1.00		
		x .25		150,000
			Total	$1.023,135

*It is anticipated that all of the south and east stringers of Pier 19 will be dedicated to public access to accommodate BCDC permit requirements.

9-13	A. Shed	}			817,805
	B. Stringer	}	as above plus 15% per lease		48,300
	C. Offices Base	}	CPI clause		138,000
	D. Percentage Rent				
	Office Rate @		2.90 *		
	less Base Rent		1.04 *		
	less Operating Costs		.70*		
			1.16		
			x .25		174,000
				Total	$1,178,105
14-18	A. Shed	}			940,475
	B. Stringer	}	as above plus 15% per lease		55,545
	C. Offices Base	}	minimum increase		714,510
	(Note .70 psf rent credit expires)				
	D. Percentage Rent (50% of Net)				
	Office Rate @		3.30*		
	less Base Rent		1.19 *		
	less Operating Costs		.81*		
			1.13		
			x .50		390,000
				Total	$2,100,200
19-23	A. Shed	}			
	B. Stringer	}	as above plus 15% per lease		
	C. Offices Base	}	CPI increase		
	D. Percentage Rent				
				Total	$2,1450,200
24-30	A. Shed	}			
	B. Stringer	}	as above plus 15% per lease		
	C. Offices Base	}	minimum increase		
	D. Percentage Rent	}			
				Total	$2,777,475

* Assumes either minimum15% increase or similar CPI (2.8% per year)

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-11

WHEREAS, Section 3.581 of the Charter of the City and County of San Francisco empowers the San Francisco Port Commission with the authority and duty to use, conduct, operate, maintain, manage, regulate and control the lands within Port Jurisdiction; and

WHEREAS, by a grant (the "Grant") dated March 10, 1948, and pursuant to the authority granted to it by the United States Congress (48 Stat.998; U.S.C.A. Title 19,§§ 81a-91u), the Foreign Trade Zone Board granted to the Port Commission through the Port's predecessor, the Board of State Harbor Commissioners for the Port of San Francisco, the right to establish, operate and maintain a Foreign Trade Zone in San Francisco; and

WHEREAS, by an agreement, entitled "Foreign Trade Zone #3 Operating Agreement," dated March 30, 1998, the Port Commission granted to Big C Traders, Inc., a California corporation ("Big C Traders"), the right to operate Foreign Trade Zone #3 at Piers 19-23 pursuant to the terms of the Grant; and

WHEREAS, Concurrent with entering into the Operating Agreement, the Port Commission entered into a lease (Lease No. L-12569) with Big C Traders providing for the Lease of Piers 19-23 on which to operate Foreign Trade Zone #3; and

WHEREAS, Big C Traders, since that date, has studied and analyzed the workings of Foreign Trade Zone #3 and compared its operation to those of other Foreign Trade Zones in the United States and comparable facilities in Europe and Asia; and

WHEREAS, Big C Traders has shared the results of its analysis with the Port Commission; and

WHEREAS, Big C Traders' analysis concludes that the viability of Foreign Trade Zone #3 requires the development of additional office space for use by Foreign Trade Zone #3 clients and users ; and

WHEREAS, Big C Traders has proposed a new 30 year Operating Agreement and a new 30 year Lease for Piers 19-23 permitting the development and financing of such office space; and

WHEREAS, Port staff and Big C Traders have negotiated the terms of a 30 year Operating Agreement and a 30 year Lease providing for the development of new office space in Foreign Trade Zone #3 at Piers 19-23; and

WHEREAS, the Office of Environmental Review of the Planning Department of the City and County of San Francisco has determined that the development permitted under the terms of the proposed lease is "Categorically Exempt" from further environmental review; now therefore be it

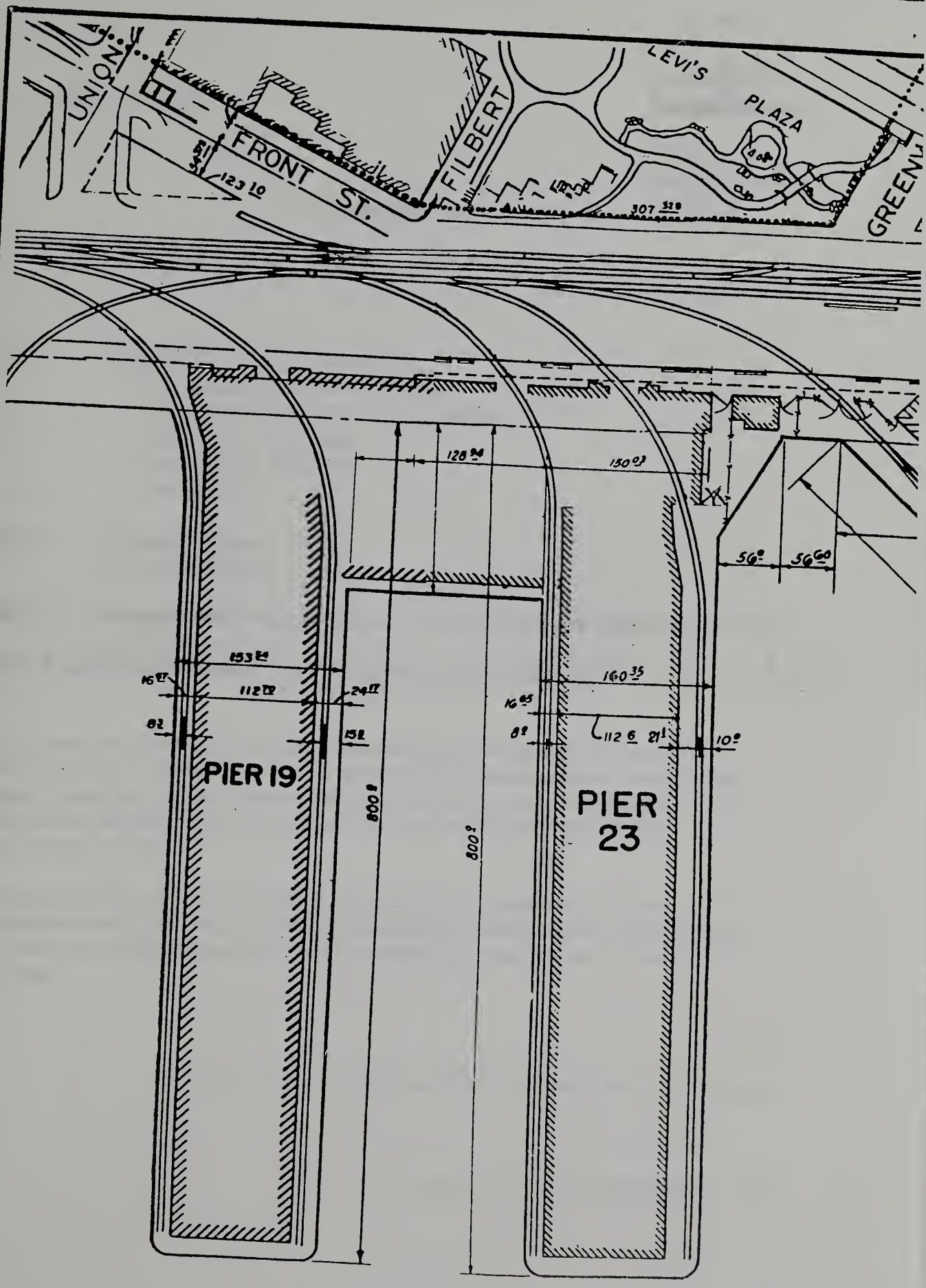
RESOLVED that the San Francisco Port Commission hereby approves Lease No. L-12853 with Big C Traders, Inc. for Piers 19-23 on the terms and conditions contained therein and as outlined in the Memorandum to the Port Commission for the meeting of January 25, 2000 in substantially the form of such lease on file with the Commission Secretary; and be it further

RESOLVED that the Port Commission authorizes and directs the Executive Director to execute Lease No L-12853 and be it further

RESOLVED that the Port Commission authorized the Executive Director to enter into any additions, amendments or other modifications to Lease No. L-12853 (including, without limitation, preparation and attachment of, or changes to, any or all of the exhibits) that the Executive Director, in consultation with the City Attorney, determines are in the best interests of the Port, do not materially increase the obligations or liabilities of the Port, and are necessary or advisable to complete the transactions which the Lease contemplates and effectuate the purpose and intent of this resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of the Lease and any such amendments thereto.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 25, 2000.

_____
Secretary


UNION
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PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

January 19, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Briefing on Status of Port Facilities and Operations Projects

DIRECTOR'S RECOMMENDATION: NO ACTION REQUIRED.

The Facilities and Operations Division is responsible for the design, construction management and construction of all Port sponsored facilities maintenance and capital projects. In the past, a status report on all of the projects has not been provided to the Commission and some of the projects were reported though the Planning and Development Division.

Attached are Project Summary Sheets for each of the Port sponsored facilities maintenance and capital projects currently underway by Facilities and Operations staff. This report is intended to provide you with a brief status report on the Division's activities.

Prepared by: Alexander K. Lee, Director of Facilities and Operations

This Print Covers Calendar Item No. 7A

FISHERMAN'S WHARF OUTER LAGOON SEAWALL REPAIR

PROJECT ENGINEER	Joe Roger
PROJECT DESCRIPTION	Emergency repair for deteriorated section of seawall per Declaration dated July 30, 1998. Tasks include performing a condition survey of the seawall (approximately 30' in length), designing a repair scheme and executing repair construction.
STATUS	Project is currently in final design phase. Construction bidding will follow design completion, per emergency procedures.
APPROVALS	With respect to BCDC submittal, Port Planning considers project 'maintenance.'
PROJECT COST	Estimated cost of project is $300,000. Port capital fund contribution is $300,000.
CONSULTANT	Olivia Chen Consultants

Schedule Milestones

May, 1999	Design commenced
Feb, 2000	Design completed
Aug, 2000	Construction commences
Nov, 2000	Construction completed

HYDE STREET HARBOR LANDSIDE IMPROVEMENTS PROJECT
PORT CONSTRUCTION CONTRACT NO. 2664

PROJECT ENGINEER	Joe Roger
PROJECT DESCRIPTION	Project scope includes providing new utilities along Hyde Alley, new asphalt, demolition of specific buildings to accommodate a new 24 car parking lot, new parking lot annex to accommodate a new 21 car waterside parking lot, and new bathroom and storage facilities within existing blue shed building along Hyde Alley.
STATUS	The Planning Commission certified an EIR for the project in December 1996 and found no significant environmental impacts to be caused by the new harbor. The project was advertised for bids in December, 1999. Completion of construction is scheduled for September, 2000.
PROJECT COST	Estimated cost of construction is $2.0 million. The Port received a $3.5 million loan from the California Department of Boating and Waterways. Additionally Port capital fund contribution is over $1.5 million.
CONSULTANT	Concept Marine Associates.
SCHEDULE MILESTONES	April, 1998 Port Commission approval to seek grant funding.
	November, 1999 Port Commission approval to advertise for construction bid
	April, 2000 Construction begins
	August, 2000 Construction completed

HYDE STREET HARBOR WATERSIDE IMPROVEMENTS PROJECT
PORT CONSTRUCTION CONTRACT NO. 2663

PROJECT ENGINEER	Joe Roger
PROJECT DESCRIPTION	A new 62-berth harbor located immediately east of Hyde Street to serve the commercial fishing fleet in Fisherman's Wharf. The harbor adds to the existing 116 berths that are currently located in the inner and outer lagoons at Fisherman's Wharf. Project scope includes accessible gangway, floating walkways, berths, and utilities.
STATUS	The Planning Commission certified an EIR for the project in December 1996 and found no significant environmental impacts to be caused by the new harbor. Project construction bids were received in December and are currently being reviewed by Port Staff. Completion of construction is scheduled for September, 2000.
PROJECT COST	Estimated cost of construction is $1.83 million. The Port received a $3.5 million loan from the California Department of Boating and Waterways.
CONSULTANT	Concept Marine Associates.
SCHEDULE MILESTONES	April, 1998 Port Commission approval to seek grant funding.
	November, 1999 Port Commission approval to advertise for construction bid
	April, 2000 Construction begins
	September, 2000 Construction completed

PIER 43 FERRY TERMINAL

PROJECT COORDINATOR	Joe Roger
PROJECT DESCRIPTION	A new Public Ferry Dock at Pier 43 funded and constructed by the City of Vallejo. The main features of the project include a new 50 ft. wide by 82 ft. long steel float, a new 90 ft. by 7.5 ft. wide access gangway, and approximately 1,730 sq. ft. of new deck space at Pier 43. All project elements satisfy the Port of San Francisco's ADA accessibility requirements.
STATUS	Design drawings are 30% complete and are being reviewed by Port Staff. Environmental clearance underway.
APPROVALS	BCDC DESIGN REVIEW BOARD REVIEWED PROJECT IN NOV., 1999.
PROJECT COST	Estimated project cost is $2,000,000.
CONSULTANT	Moffat & Nichol
SCHEDULE MILESTONES	BCDC and ACOC permit applications to be filed in Spring, 2000. Design scheduled for completion in June, 2000. Construction scheduled to commence in August, 2000.

PIER 43 ARCH EMERGENCY DISASSEMBLY AND SHORING

PROJECT ENGINEER	Victor Yew
PROJECT DESCRIPTION	On July 14, 1998, the Port declared an emergency on the fire damage to the Pier 43 Arch. Under the emergency declaration, contractor Biller-McCoy Builders, Inc. was hired to perform the work of disassembly and shoring of the structure. Following completion of the disassembly and shoring contract, a separate competitively bid contract will be prepared for the arch repair and restoration it to its pre-fire condition. A consultant, Architectural Resources Group was hired to assist in the development of disassembly and shoring plans and subsequent repair plans. The disassembly and shoring is totally funded by insurance proceeds.
STATUS	The work of disassembly and shoring was completed as of December 15, 1999.
PROJECT COST	The contract amount was $392,727.
CONSULTANT	Architectural Resources Group
SCHEDULE MILESTONES	Project complete as of 12/15/1999.

PIER 43 ARCH RESTORATION

PROJECT ENGINEER	Victor Yew
PROJECT DESCRIPTION	On July 14, 1998, the Port declared an emergency on the fire damage to the Pier 43 Arch. The arch restoration will follow the completion of the emergency disassembly and shoring contract. The arch restoration will be a competitively bid contract for the repair and restoration of the arch to its pre-fire condition. The repair work is totally funded by insurance proceeds.
STATUS	Insurance company has written a letter commitment approving the use of $75,000 to start the consultant on the design for the repair work. A modification of contract is currently in process.
PROJECT COST	$1/2 to $1 million depending on extent of required restoration.
CONSULTANT	Architectural Resources Group
SCHEDULE MILESTONES	Advertise Contract: March 2000 Award Contract: May 2000 Construction Start: July 2000 Construction Complete: November 2000

PIER 43-1/2 PUBLIC ACCESS AREA

PROJECT ENGINEER	Victor Yew
PROJECT DESCRIPTION	The existing pier at the end of Vista Point was demolished and reconstructed with a new deck and stage for equivalent disability access views. In addition, a bell and timber constructed resonator supported from a steel frame above the stage was constructed to create a visual destination point for visitors of the Fisherman's Wharf area. The project also includes interpretive signage, Fisherman's Wharf lighting standards, flagpoles, and wood pile handrails.
STATUS	Maintenance has performed all the work on the construction of the Pier. The project is essentially complete with only minor items remaining to be done such as connecting the lights and placing dry pack under the poles.
PROJECT COST	Materials cost were approximately $105,000. Port Maintenance performed the labor on the work.
CONSULTANT	None. Design done in-house, though architectural services from DPW-BOA used in the architectural design.
SCHEDULE MILESTONES	Project completed.

FISHERMAN'S WHARF OCTAGON BUILDING RESTROOMS

PROJECT MANAGER	Kevin Jensen	
PROJECT DESCRIPTION	Reconstruct the public access restrooms at the south side of the Octagon Building at the corner of The Embarcadero and Taylor, SWL 301. The project will completely rebuild the men's and women's restrooms in this facility, including plumbing, ventilation, finishes, and lighting.	
STATUS	The Port Engineering Department has prepared working drawings and specifications that are currently approximately 85% complete.	
APPROVALS	The schematic designs were presented to the Fisherman's Wharf Tenants Association for review and approval.	
PROJECT COST	Total project cost of $250,000 funded by a combination of Port Operating Budget and Capital funds.	
CONSULTANT	None.	
SCHEDULE MILESTONES	February, 2000	Working drawings and specifications complete.
	March, 2000	Begin Construction
	May, 2000	End Construction

PIER 1-1/2 TO 5 MARGINAL WHARF REPAIR, PHASE I

PROJECT ENGINEER	Victor Yew
PROJECT DESCRIPTION	The Phase I work is limited to the repair of the first bay of marginal wharf adjacent to the seawall from Pier 1 ½ to the south wall of the Pier 5 bulkhead. The remainder of the marginal wharf repair will be done as part of a development project(s). This Phase I Section of Marginal Wharf supports the Mid-Embarcadero improvements and requires repair prior to completion of the promenade. Under a MOU with DPW, $1.0 million will be funded from Mid-Embarcadero Project for the marginal wharf repair work and related shoring work. Port will fund any additional repair costs above $1.0 million and the architectural aspects of the work. In addition to the marginal wharf repair, the work will include completion of the narrow strip of promenade left undone by the Mid-Embarcadero Project, shoring of the building columns during the repair work on the substructure, and architectural repair of the penetrations through the building façade for the column shoring.
STATUS	Plans and specifications are under review by Caltrans.
PROJECT COST	$1,110,651 (CONSTRUCTION COST ESTIMATE PHASE I)
CONSULTANT	Structus Consulting Engineers
SCHEDULE MILESTONES	Caltrans Review Complete: February 2000 Advertise Contract: March 2000 Award Contract: May 2000 Construction Start: June 2000 Construction Complete: September 2000

DOWNTOWN FERRY TERMINAL

PROJECT MANAGER	Nieret Mizushima
PROJECT DESCRIPTION	The Downtown Ferry Terminal project, funded primarily through Federal sources, consists of a base bid plus four alternate bid items. The base bid consists of two new ferry terminals. The first to be constructed will be a new covered landing facility adjacent to the south end of the Ferry Building. Complete with portal structures, railings and amenities that will echo the historic and maritime architectural themes of the Ferry Building and other waterfront pier-buildings, the new landing will also feature attractive stonework, paving and artwork at the portal that will enhance the attractiveness of the new facilities and the waterfront. A new breakwater will be built to provide a safer and more accessible landing environment for the ferries. After the new landing is constructed, the existing landing at Pier ½ will be relocated to just north of the Ferry Building. This renovated landing facility will feature the same architectural and artistic embellishments featured at the new landing. The new and renovated facilities will solve a number of challenges associated with scheduling arrivals and departures of numerous ferry operators, as well as provide increased opportunities for additional ferry runs or new ferry routes. Ferry operators currently using the facility and slated to share in the new facility include Blue and Gold Fleet, Red and White Fleet, Alameda-Oakland Ferry, and Harbor Bay Ferry.
STATUS	The Planning Commission authorized the award of the base bid on December 16, 1999. Notice to Proceed will be issued in early January 2000. Federal DOT funds have been promised to fund the New North Float alternate. Additional funds are being sought to fund the Breakwater alternate. Funds have not been identified to fund the Public Access to the breakwater.
APPROVALS	When additional funds are found for the breakwater, we will seek Commission approval to award the breakwater alternate. When the federal funds are received, we will

obtain Commission approval to fund the New North Float alternate.

PROJECT COST

The Base Bid cost plus contingency is $10,089,696. The Breakwater alternate with contingency is $3,847,536. The new North Terminal float with contingency is $1,320,000. Total costs with contingency are $15,257,232

CONTRACTOR

Miller/Thompson Constructors – The firm is a woman-owned disadvantaged business enterprise (DBE) and successfully met the Federal DBE contracting goals.

SCHEDULE MILESTONES

January 2000	Issue Notice to Proceed
February 2000	Begin on site work after approval of schedules and submittals
July 2000	Open new South Terminal; close existing Pier ½ terminal
December 2000	Construction completed

AGRICULTURAL BUILDING, EAST ENTRY STAIR REMODEL
PORT CONSTRUCTION CONTRACT NO. 2657

PROJECT ENGINEER	Mansur Niufar
PROJECT DESCRIPTION	Existing wooden stairs and supporting platform that once provided the required emergency exit from the second floor of Agricultural Building is no longer safe and must be replaced.
STATUS	The work was originally assigned to the Bureau of Architecture that provided the preliminary design. Port Engineering will complete the structural engineering and details. Due to the urgency of the needed exit at Agricultural Building the project will be done as an **emergency contract.**
PROJECT COST	$ 150,000.00
CONSULTANT	None
SCHEDULE/ MILESTONE	Advertise for bid in January 2000 and complete by July.

CHINA BASIN SHORELINE STABILIZATION

PROJECT ENGINEER	Ken Chu
PROJECT DESCRIPTION	This project provides slope stabilization for the southern shoreline of China Basin in order to provide a permanent wateredge that the Giant's can use to create a public access park as required by their BCDC permit. This shoreline stabilization project requires placement of approximately 4,400 cubic yards of riprap to the south China Basin shoreline from Third Street to Pier 48.
STATUS	Soil borings and a dynamic soil-seismic analysis were performed by Olivia Chen Consultants for the project. The results indicated that the shoreline is stable, however minor lateral spreading is expected during earthquake. This information was given to the Giants for the development of the park. The construction contract documents are 95% complete. The former H&H Tank Treatment Area is located on the China Basin Park Site near Pier 48. Environmental staff is conducting the closure process. The H&H closure might affect the CBSS Project. We postponed advertising until the impact is resolved.
APPROVALS	Port staff will submit permit applications to BCDC, the Army Corp of Engineers, and the Regional Water Quality Control Board within the next few weeks.
PROJECT COST	Total project cost is estimated to be $394,261. The Port has a Capital fund of $592,200.
CONSULTANT	Olivia Chen Consultants.
SCHEDULE MILESTONES	January, 2000 — Port Commission approval to advertise for construction bid April, 2000 — Construction begins June, 2000 — Construction completed

CHINA BASIN FERRY TERMINAL

PROJECT MANAGER	Leo Bragagnolo	
PROJECT DESCRIPTION	When completed, this facility will provide commuter access to San Francisco's China Basin and South of Market areas. The project entails the construction of a concrete platform to provide access to two barge/floats via gangways for the landing of ferry boat passengers.	
STATUS	The base bid of the construction contract has been awarded to Vortex Diving Inc. Notice to Proceed was issued December 30, 1999. The base bid includes the access platform and one of the barge/floats and gangways. An additive bid item is for the second float, gangway and related piling.	
PROJECT COST	The project is funded by $2,000,000 federal grant funds with a 20 percent match with Port funds. The base bid with contingency is $1,990,472. The additive bid item cost with contingency is $1,058,002, for a total project cost of $3,048,474. The Redevelopment Agency has been asked to assist with the funding for the additive bid item.	
APPROVALS	Authorization from the Port Commission to award the additive bid item for the second float.	
CONTRACTOR	Vortex Diving Inc.	
SCHEDULE MILESTONES	Late March, 2000	Substantial completion of one of the floats in time for the first exhibition game.
	May 2000	Final completion of both floats

PIER 48 INTERIOR FIRE DAMAGE REPAIR
PORT CONSTRUCTION CONTRACT NO. 2665

PROJECT ENGINEER	Mansur Niufar
PROJECT DESCRIPTION	This project is the follow up to the Pier 48 Fire Damage Repair to the building shell that was completed in 1988. This phase of the project involves the design and installation of sprinkler system and replacement of the restrooms, and provisions for access and egress in compliance with the current Building Code.
STATUS	Construction documents submitted by Kendall Young Associates have been reviewed by the Port staff and returned to the Consultant for implementation of suggested changes. The project scope is being reviewed by the insurance carriers for confirmation of project cost estimate.
PROJECT COST	Estimated cost by Don Todd Associates: $ 2,152,410.00 Estimated cost by Insurance co.: $ 1,658,894.00
CONSULTANTS	Kendall Young Associates / Beverly Prior Architects. Don Todd Associates (DTA)
SCHEDULE MILESTONE	Advertise for bid, February 2000

PIER 50 OFFICE IMPROVEMENTS

PROJECT MANAGER	Kevin Jensen	
PROJECT DESCRIPTION	A capital improvement project to complete the improvements to Pier 50 Shed D Maintenance Department. Work includes a new passenger lift serving the second floor offices, as well as accessibility improvements to restrooms on the first and second floors in the office area.	
STATUS	Port Engineering Department staff has prepared working drawings and specifications to 85% completion, and will be issuing the documents to the Port's maintenance department in early 2000. Construction is expected to take approximately 6 months.	
PROJECT COST	The project is funded by $557,059 in New Maintenance Facility Loan funds.	
CONSULTANT	None.	
SCHEDULE MILESTONES	March, 2000	Issue working drawings and specifications to Maintenance Department for construction.
	April, 2000	Begin Construction
	October, 2000	End Construction

PIER 50 FIRE PROTECTION PROJECT
PORT CONSTRUCTION CONTRACT NO. 2648

PROJECT ENGINEER	Skip Zeller
PROJECT DESCRIPTION	This construction contract will provide a wet-pipe fire sprinkler system in Sheds A and B of Pier 50. If funds are available, the project also will provide a new 8" fire water supply main on Pier 50, including a fire hydrant and the supply for a fire sprinkler system in Shed C. In addition, if funds are available, Shed C will also be fire sprinklered.
STATUS	The existing water main in Terry Francois Boulevard is not adequate to supply additional fire sprinklers on Pier 50, so this work is dependent on the installation of a new 12" main in the street. The new water main contract will be done by the PUC after we have committed the funds for that project. At present, the portion of the funding from the Pier 48 fire insurance payment has not been received. Therefore, neither of these construction contracts is scheduled.
PROJECT COST	The engineer's estimate for the base bid item, sprinklering Sheds A and B, at $2.50 per square foot, is $525,600. The additive bid item for an 8" main on the Pier would be $60,300. Sprinklering Shed C will be $294,600, for a total cost of $880,500. The August 1999 PUC estimate for their new main is an additional $683,300, of which the insurance proceeds should pay $329,300 and the Port would pay $354,000.
CONSULTANT	None, however Olivia Chen Consultants reviewed the project plans and specifications.
SCHEDULE MILESTONES	Contract plans and specifications completed in April, 1998. Fire insurance settlement approximately January, 2000. PUC advertise, award, and complete new water main Sept. 2000 Port advertise and award Contract 2648 - July, 2000. Port complete construction – October, 2000.

MAINTNANCE DREDGING
PORT CONSTRUCTION CONTRACTS 2655 AND 2662

PROJECT MANAGERS	Roberta Schoenholz and Ed Byrne
PROJECT ENGINEER	Ken Chu
CONSTRUCTION MANAGER	Ed Bubnis
PROJECT DESCRIPTION	Dutra Dredging Company performed maintenance dredging under two Port construction contracts this fall. A contract modification to Maintenance Dredging Contract No. 2655 was negotiated to perform dredging for the Downtown Ferry Terminal Project, the Hyde Street Harbor Project and at the Central Basin for San Francisco Drydock. Dredging was also preformed under the Port's new Maintenance Dredging Contract No. 2662 at Pier 92 and Pier 35 East Widening. In total 463,000 cubic yards of dredge material was removed with 436,000 cubic yards disposed in-bay and 27,000 cubic yards disposed at an upland disposal sites. Upland disposal was performed at Pier 94/96 and at Winter Island on the Sacramento River delta. This is the first time the Port utilized the Winter Island reclamation site that re-uses the dredge material for reinforcing the island's protective berms.
STATUS	All the dredging under both contracts has been completed with the exception of the Pier 35 Widening which is scheduled to be completed in early January 2000.
APPROVALS	Port staff submits permit applications to BCDC, the Army Corp of Engineers, and the Regional Water Quality Control Board for each dredging site for each dredging episode. Obtaining these permits in a timely fashion from these agencies for the dredging to occur on schedule has been a considerable challenge to Port Staff.
PROJECT COST	Total cost of dredging performed under the contract modification was approximately $1.1 million. The dredging performed under contract 2662 totaled approximately $3.3 million. Thus, a total of approximately $4.4 million worth of dredging was performed this fall.
CONSULTANT	None
SCHEDULE MILESTONES	Summer/Fall 2000: Continue maintenance dredging at Pier 35 East and West Berths, Pier 80 Berths A, B and C and the Fisherman's Wharf Inner Harbor.

RASTERIZING ENGINEERING DRAWINGS

PROJECT ENGINEER	Ken Chu
PROJECT DESCRIPTION	Convert approximately 20,000 existing engineering drawings into electronic format. The project includes the supply and training Port Staff in the use of software used for drawing retrieval, viewing, editing, and reproduction. This project enables Port staff to view the drawings on their computers, and eliminates the need to transfer drawings from their current location to the Port's new office in Pier 1.
STATUS	Purchase Order was advertised in August 1999. RPM Imaging was the successful bidder for this project. First shipment was sent out in October. We have sent out approximately 6000 drawings. About 1,500 digitized drawing could be reviewed in Port's database.
PROJECT COST	Total engineers estimate is $150,000.
SERVICE PROVIDER	RPM Imaging.
SCHEDULE MILESTONES	September 13, 1999, Purchase Order was approved by City's Purchase Office. September 2000, Existing drawings rasterized completed.

AMERICANS WITH DISABILITIES ACT TRANSITION PLAN

PROJECT MANAGER	Kevin Jensen
PROJECT DESCRIPTION	Port of San Francisco's Accessibility Transition Plan (draft). This Plan is mandated by the Mayor's Office on Disability for all city departments. The Plan describes a prioritized list of capital projects that are intended to remove barriers to accessibility to disabled persons using Port facilities.
STATUS	The Port's draft transition plan was started in 1992 and was last updated in 1997. The plan requires updating, due in part to current and anticipated development projects as well as changes in the lease status of several facilities. There are a number of facilities that were not originally surveyed to ascertain their transition plan status. These facilities will be surveyed and included in the plan as required.
APPROVALS	Port staff will be updating and expanding the current draft transition plan in the year 2000. The current draft plan is on file with the Mayor's Office on Disability as part of the overall City Transition Plan.
PROJECT COST	Total costs of $415,000 are identified in the plan, although this figure will likely be higher once the plan is revised due to the limited nature of the current plan. The projects will be a paid for with Port Capital funds.
CONSULTANT	None.
SCHEDULE MILESTONES	December, 2000 — Revise Pier 35 Passenger Terminal entry, exits, path of travel, parking, pay phones and restrooms.
	December, 2000 — Revise Agriculture Building entry, exits, path of travel, parking, drinking fountains and restrooms.

FACILITIES MAINTENANCE PROJECTS

PROJECT MANAGER	Gary Olson
PROJECT DESCRIPTION	Various facilities maintenance projects along the waterfront funded by Port capital funds. Major projects include: Plumbing Work — $542,000 Fisherman's Wharf, Piers 27, 29, 9, 26, 50 Piling Work — $924,168 Piers 80, 48 Roofing Work — $1,493,157 Piers 35, 9, 28, 38 $2,959,325
STATUS	Plumbing work to begin after personnel are hired. Fenderpile replacement works at Pier 80 in progress. Roofing work to begin at Pier 28 after rainy season.
APPROVALS	Awaiting certification of personnel.
PROJECT COST	Current project estimate for the facilities maintenance work is $2,959,325.
CONSULTANT	Port Engineering Department
SCHEDULE MILESTONES	TBD

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

January 19, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice-President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to Award Contract No. 2663, "Hyde Street Harbor Waterside Improvements Project," to the lowest responsive bidder, Peak Engineering Inc., for $2,365,000 Plus a 10% Construction Contingency

DIRECTOR'S RECOMMENDATION: THAT THE COMMISSION AUTHORIZE STAFF TO AWARD CONTRACT NO. 2663, FOR CONSTRUCTION OF THE HYDE STREET HARBOR WATERSIDE IMPROVEMENTS PROJECT, TO PEAK ENGINEERING INC.

This project was previously a component of a combined landside and waterside project, for which Port staff received construction bids in excess of budget, resulting in the rejection of all bids in July 1999. The project has since been divided into two separate projects and re-designed to achieve cost savings. On October 26, 1999, the Commission authorized staff to re-advertise for competitive bidding of the construction of this project, known as the Hyde Street Harbor Waterside Improvements Project.

The main waterside project components include:

- Harbor consisting of a 62 berth fishing facility. Four of these berths comprise the Alternate #1 scope.
- Accessible gangway and floating walkways.
- Sewer, bilge and electrical utilities.

THIS PRINT COVERS CALENDAR ITEM NO. 7B

On December 8, 1999, staff received two bids for this project. For the base bid plus alternate, Vortex Diving submitted a $2,352,500 bid, and Peak Engineering submitted a $2,365,000 bid. The Human Rights Commission (HRC) staff has reviewed the bids and found that the bid of Vortex Diving is non-responsive for failure to meet the Minority Business (MBE) subcontracting goal of 11% and failure to demonstrate good faith efforts to satisfy the goal. On the other hand, HRC has confirmed that Peak Engineering Inc. is a certified MBE and LBE contractor and has met the subcontracting goals of 11% for MBEs and 4% for WBEs.

Vortex Diving has submitted a bid protest with regard to Peak Engineering, challenging their MBE and LBE status and alleging that Peak Engineering lacks the experience required by the contract. In consultation with HRC staff and the City Attorney's office, Port staff has carefully evaluated the bid documents and the bid protest and found the protest to be without merit. Staff has concluded that the bid of Vortex Diving is non-responsive. Therefore, staff recommends award of the contract to Peak Engineering Inc, who is the only responsive bidder.

The Bay Conservation and Development Commission has approved the permit for the original project, and Port Staff is in the process of amending this permit to reflect scope changes to the original project. Staff anticipates receiving an Army Corps of Engineers permit in January. In addition, the Mayor's Citywide Coordinator for Disability Access, the Fisherman's Wharf Advisory Committee, and the Environmental Quality Advisory Committee have approved the project design. The Port Commission previously accepted responsibility to manage a loan and grant from the Department of Boating and Waterways (Cal-Boating) in the amount of $3,900,000 for the design and construction of the Hyde Street Harbor improvements (original project). The Port will add $1,840,000 of its own funding for the Hyde Street Harbor Landside Improvements Project.

Staff therefore seeks Commission authorization for staff to award Contract No. 2663, "Hyde Street Harbor Waterside Improvements Project," to Peak Engineering Inc., for $2,365,000 (representing the base and alternate work items) plus a 10% construction contingency, for a total contract award of $2,601,500.

Prepared by
Joe Roger, Structural Engineer

For Cliff Jarrard
Chief Harbor Engineer

BID SUMMARY
PORT OF SAN FRANCISCO

Prepared By: Joe Roger
Checked By:
Date: 12/8/99
Page of 1 of 2
Bids Opened: December 8, 1999

Project: Hyde St. Harbor Waterside Improvements
Contract No.: 2663 **Project Engineer: Joe Roger**
Page 1 of 2

			Peak Engineering Inc. 2332 Mariposa Street San Francisco, CA 94110-1421 (415) 252-8140		Vortex Diving Inc. Livingston Street Pier Oakland, CA 94606 (510) 261-2400	
Bid Item #	**Description**	**Estimated Quantity**	**Unit /LS Price**	**Total**	**Unit /LS Price**	**Total**
LS-1	Demolition: Remove pier extension	n/a	$30,000.00	$30,000.00	$18,000.00	$18,000.00
LS-2	Aluminum bridge, gangways, landings, and railing	n/a	$125,000.00	$125,000.00	$120,000.00	$120,000.00
LS-3	Dock electrical system	n/a	$150,000.00	$150,000.00	$232,000.00	$232,000.00
LS-4	Dock water system	n/a	$100,000.00	$100,000.00	$108,000.00	$108,000.00
LS-5	Dock telephone system	n/a	$20,000.00	$20,000.00	$32,500.00	$32,500.00
LS-6	Concrete platforms	n/a	$100,000.00	$100,000.00	$20,000.00	$20,000.00
LS-7	Concrete floating system	n/a	$1,135,000.00	$1,135,000.00	$1,150,000.00	$1,150,000.00
LS-8	Furnish and drive mooring piles	n/a	$350,000.00	$350,000.00	$338,000.00	$338,000.00
LS-9	Locker boxes, power centers, light fixtures, and signs	n/a	$100,000.00	$100,000.00	$107,000.00	$107,000.00
LS-10	Rip-rap	n/a	$60,000.00	$60,000.00	$10,000.00	$10,000.00
LS-11	Dock bilge and holding tank pump-out systems	n/a	$120,000.00	$120,000.00	$142,000.00	$142,000.00
ALT-1	Refer to Document 00410	n/a	$75,000.00	$75,000.00	$75,000.00	$75,000.00
	Total Base Bid			$2,290,000.00		$2,277,500.00
	Amount entered on 00410			$2,290,000.00		**$2,278,300.00**
	Total Base Bid Plus Alt-1			*$2,365,000.00*		*$2,352,500.00*

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. **00-09**

WHEREAS, On October 26, 1999, the Commission authorized Staff to advertise for bidding of Contract No. 2663, for construction of the "Hyde Street Harbor Waterside Improvements Project;" and

WHEREAS, On December 8, 1999, the Port received two bids, and after careful review Staff has determined that Peak Engineering Inc. is the only responsive bidder with a total bid, including base bid and Alternate #1, of $2,365,000; and

WHEREAS, Staff will secure the necessary permits to allow construction of the project; and

WHEREAS, This project is fully funded by a loan from Cal-Boating; therefore be it

RESOLVED, That the Commission hereby authorizes the award of Contract No. 2663, "Hyde Street Harbor Waterside Improvements Project," to Peak Engineering Inc., for $2,365,000 plus a 10% construction contingency, for a total contract award in the sum of $2,601,500, and that the Executive Director is authorized to accept the work once it has been completed.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 25, 1999.

_____
Secretary

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

January 25, 2000

TO: MEMBERS, PORT COMMISSION

Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Informational Briefing on Status of Port Planning & Development Projects

DIRECTOR'S RECOMMENDATION: NO ACTION REQUIRED.

BACKGROUND

On June 24, 1997, the Port Commission adopted the Port of San Francisco Waterfront Land Use Plan ("Waterfront Plan"), thereby lifting the seven-year moratorium on non-maritime development on Port piers and properties within 100 feet of the shore, and providing a blueprint for the future use of Port property. This accomplishment, along with the current real estate market and other factors, has spurred considerable interest by private developers, public agencies and citizens in revitalization of Port property. The Port's Planning & Development Division has been working on many projects to implement the Waterfront Plan. The purpose of this report is to provide you with an update of these projects.

THIS PRINT COVERS CALENDAR ITEM NO. 8A

MAJOR PLANNING PROJECTS

BCDC Plan Amendments

The Port Planning Staff has been working closely with staff of the San Francisco Bay Conservation and Development Commission (BCDC) and Save San Francisco Bay Association (Save the Bay) to jointly develop plan amendments to establish consistent policies in BCDC planning documents and the Port's Waterfront Plan.

The objectives of this effort are to provide more flexibility to the Port to carry out projects on piers consistent with the Waterfront Plan, and to define locations and funding to create major public plazas and public access, and removal of selected piers to address key BCDC public access and fill removal objectives under the McAteer-Petris Act. The approach to developing the plan amendments is based on a comprehensive study to identify desirable locations for three public plazas, and piers to be removed to meet bay fill removal objectives. The amendments also will include provisions allowing the Port to repair, seismically improve and develop uses on its piers consistent with the Public Trust Doctrine; and to increase certainty in the BCDC permitting through clarified policies and procedures. The Port has provided funding for BCDC staff consultant services.

On December 16, 1999, the BCDC and Port Commissions held a joint public meeting to receive a staff presentation on a draft framework for amendments to BCDC and Port plans. The Commissions received numerous public comments, many indicating the need for further work to develop design parameters for a proposed Northeast Wharf public plaza, and to determine pier removals. The BCDC Commission directed its staff to initiate the plan amendment process on January 6, 2000, while efforts are underway to further address the plaza and pier removal issues.

To receive a copy of the Port staff report and draft framework for the BCDC and Port Plan amendments, contact Diane Oshima at (415) 274-0553, or by e-mail at Diane_Oshima@sfport.com.

Historic Preservation Planning

The Port's Waterfront Plan includes historic preservation policies. Pursuant to these policies, certain historic resources, such as the Ferry Building and Agriculture Building, will be preserved and rehabilitated consistent with the Secretary of Interior standards for historic preservation. Other resources, such as pier bulkhead buildings and pier sheds (eg. Pier 45 Shed A, Pier 1, and Piers 29 – 31), will be retained, and still others require further preservation review and analysis before determining which additional resources should be retained and to what extent they can be rehabilitated.

The Port is conducting further research and analysis of its historic resources north of China Basin Channel. This effort will continue throughout 2000 and may require consultant assistance. The completion of this work will be coordinated with completion of the BCDC negotiations and amendments, and timely processing of Port commercial development and maritime projects and building permits.

Some of these projects, such as Pier 1 and the Ferry Building, involve historic preservation and adaptive reuse. On January 5, 1999 the Secretary of the Interior placed Pier 1 on the National Register of Historic Places. This and other preservation efforts will be pursued by the Port as part of the approval process for individual projects, and may occur in advance of completing historic preservation policies for other waterfront areas.

Southern Waterfront Planning

The Port has received several lease proposals for Pier 80, and Piers 90 through 96 in the Southern Waterfront. Many are for maritime industrial or other industrial activities north and south of Islais Creek. A number of these proposed uses (e.g. concrete-batching plants, crushing and recycling, storage of aggregate for concrete operations) have raised environmental and public health concerns with the Bayview/Hunter's Point neighborhood. The proposed leases and projects in the Southern Waterfront, including an Illinois Street rail bridge between the Port's North and South cargo terminals, will be evaluated in a supplemental EIR to the Waterfront Plan EIR. To address these and other issues, the Port has established a Southern Waterfront Advisory Committee (SWAC) to solicit input regarding lease proposals for Port property, including environmental mitigation and monitoring requirements. The SWAC meets approximately once a month.

In addition to evaluating current lease proposals, the Port will conduct further planning to develop a development program for the Pier 90-94 backlands, a currently undeveloped area, which will require infrastructure and other capital improvements. The Port anticipates that this work will require some consultant assistance, coordination with other City agencies (e.g. the Planning Department and Redevelopment Agency), and ongoing discussions with the SWAC and the broader community.

MAJOR COMMERCIAL DEVELOPMENT, MARITIME, AND OPEN SPACE PROJECTS

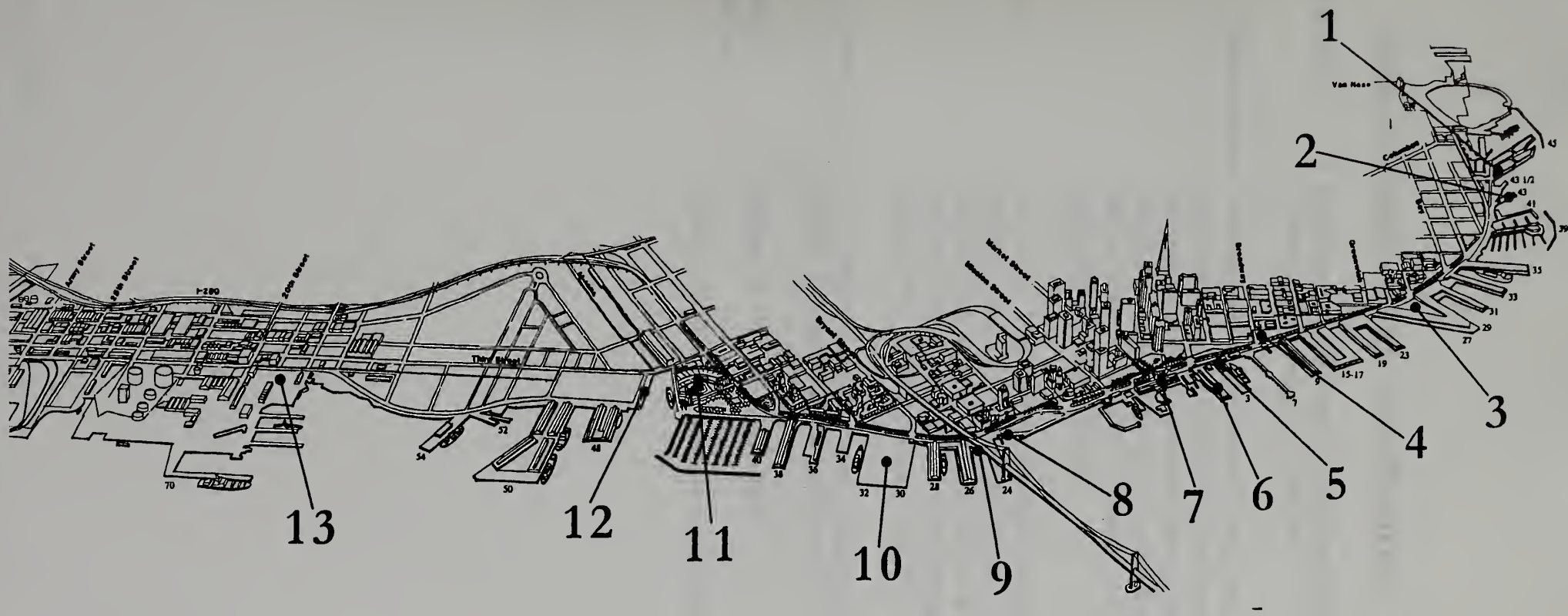
Attached are Project Summary Sheets for each of the major commercial development, maritime and open space projects currently being managed by Planning & Development Division staff. This information is meant to provide you with a brief status report on the Division's activities. Planning & Development's lead staff member for each project is indicated in **bold**. The Project Location map on page 5 indicates the specific location of each project referenced in this summary.

Please note that the following projects which previously appeared in this summary will be summarized in updates provided by the Facilities and Operations Division:

- Hyde Street Fishing Harbor
- Pier 47A
- Downtown Ferry Terminal Project
- Mid-Embarcadero Roadway Project
- Ballpark Ferry Landing – China Basin Channel

Prepared by: Paul Osmundson, Director of Planning & Development

Location of Major Development Projects, Port of San Francisco



1. Pier 45, Shed A
2. Pier 43 Ferry Terminal
3. Piers 27 - 31
4. Broadway Hotel Project
5. Piers 1 1/2 - 5
6. Pier 1
7. Ferry Building
8. Rincon Park Restaurant
9. Pier 24 Annex
10. Bryant St. Pier (30/32 & SWL 330)
11. Pacific Bell Ballpark
12. China Basin Shoreline
13. Pier 70

Prepared by the Port of San Francisco,
January, 2000

1. PIER 45 PUBLIC ATTRACTION PROJECT

PROJECT STAFF	**Kirk Bennett, Manager, Waterfront Development Projects** Rich Hentschel, Feasibility Analyst
PROJECT DESCRIPTION	Development and operation of a public attraction at Pier Shed A. The public attraction will include uses that have a quality educational/learning/ interpretive focus; will be strong enough to significantly enhance the image of Fisherman's Wharf; and will support the long-term future of the fishing industry. The public attraction will incorporate San Francisco Bay and maritime oriented themes.
STATUS	On June 29, 1999, the Port Commission (by resolution 99-45) approved the development concept for this RFP and authorized issuance of an RFP for a new public attraction at Pier 45 Shed A. The RFP was issued in August, 1999, and two pre-submittal meetings have been held. The deadline for proposals is January 25, 2000.
PROJECT APPROVALS	The project will require permits and approvals from the Port Commission, BCDC, and the Board of Supervisors.

SCHEDULE MILESTONES

August 25, 1999	RFP issued
January 25, 2000	Deadline for submitting responses to RFP

2. PIER 43 PUBLIC FERRY TERMINAL

PROJECT STAFF

Dan Hodapp, Planner
Diane Oshima, Manager, Waterfront Planning
Denise Turner, Wharfinger

PROJECT DESCRIPTION

A ferry terminal will be constructed at Pier 43 to provide a publicly accessible ferry landing in Fisherman's Wharf. The project will include a floating berth, pilings, gangway system, and ramps to connect to Pier 43.

STATUS

The City of Vallejo secured $1.6 million in Federal Ferry Boat Funds and $400,000 in California Transportation Commission funds for the project. The project received federal and state environmental clearance, as well as right of way clearance, in August 1997. The Port and the City of Vallejo have negotiated a cooperative agreement through which the City of Vallejo will fund the project, and manage the design and construction of the terminal. The City of Vallejo has hired a design team and working with Port staff has developed a preliminary design for the terminal.

APPROVALS

The Port Commission approved the cooperative agreement with Vallejo, and must approve a landing rights agreement for the facility. Approval must also be received from BCDC, Army Corps of Engineers and Regional Water Quality Control Board.

PRIMARY CONSULTANT

Moffatt and Nichol Engineers

SCHEDULE MILESTONES

June 1998	Cooperative Agreement Finalized
November 1998	Vallejo issued RFP for design consultant
September 1999	Preliminary Design completed
June 2000	Apply for BCDC and other permits
September 2000	Begin construction

3. PIERS 27 – 31 MIXED USE RECREATION PROJECT

PROJECT STAFF

Kirk Bennett, Manager, Waterfront Development Projects
Diane Oshima, Manager, Waterfront Planning
Alec Bash, Waterfront Planner—Special Projects
Rich Hentschel, Feasibility Analyst

PROJECT DESCRIPTION

Development and operation of a Mixed Use Recreation Project on Piers 27 – 31. This project is intended to create a local and regional destination serving a wide range of recreational interests, including both active and passive recreational activities. In addition to other ancillary uses, the recreation project will provide for free movement through and around Pier 27 – 31. A series of open spaces will provide expansive views of San Francisco Bay as well as views of recreational activities.

STATUS

In August, 1999 the Northeast Waterfront Advisory Group - after an advisory group process - reached a consensus on the mission statement and development concept to be included in an RFP for a new Mixed Use Recreation Project on Piers 27 – 31. On September 21, 1999 (by Resolution No. 99-25), the Port Commission approved the mission statement and development concept recommended by the Advisory Group, and authorized issuance of the RFP.

The RFP was issued on November 21, 1999, with a deadline for submitting proposals of March 13, 2000. However, on December 8, 1999, the RFP was suspended pending the public review of proposed amendments to current BCDC plans.

PROJECT APPROVALS

The project will require the following reviews/approvals: Port Commission award of exclusive negotiation, CEQA, Waterfront Design Advisory Committee, BCDC, Army Corps of Engineers, RWQCB, and the Board of Supervisors.

SCHEDULE MILESTONES

August 12, 1999	Advisory Group process completed
September 21, 1999	Mission statement & development concept approved by the Port Commission; Port staff authorized to issue the RFP
November 12, 1999	RFP issued
December 8, 1999	RFP suspended due to proposed amendments to BCDC Plans

4. BROADWAY HOTEL PROJECT

PROJECT STAFF	Kirk Bennett, Manager, Waterfront Development Projects **Jennifer Sobol, Development Project Coordinator**
PROJECT DESCRIPTION	Development and operation of a first-class, full-service hotel at Broadway and The Embarcadero.
STATUS	An Exclusive Right to Negotiate Agreement was entered into by the Port and the selected developer, Stanford Hospitality, Inc., on November 8, 1999. Stanford is preparing the environmental application, and negotiations of the lease and development agreement are underway with Port staff.
APPROVALS	The project will require CEQA review, a conditional use authorization from the Planning Department and a certificate of appropriateness from the Landmarks Preservation Board. It will be subject to design review by the Waterfront Design Advisory Committee. Approvals also will be required from the Port Commission and the Board of Supervisors.
PRIMARY CONSULTANTS	Patri Merker Architects (architecture & regulatory approval) EIP Associates (environmental review)

SCHEDULE MILESTONES

November 8, 1999	Exclusive Right to Negotiate Agreement executed
December, 2000	Certification of EIR
July, 2001	Commence Construction
January, 2003	Open for Business

5. PIER 1 ½ - 5 MIXED USE PRESERVATION PROJECT

PROJECT STAFF

Kirk Bennett, Manager, Waterfront Development Projects
Alec Bash, Waterfront Planner—Special Projects
Jennifer Sobol, Development Project Coordinator
Ed Byrne, Engineering Manager
Dede Satten, Site Property Manager

PROJECT DESCRIPTION

Development of a Mixed Use Preservation Project involving the Pier 1 ½, 3 and 5 bulkhead buildings, Pier 1 ½, and a portion of Pier 3. The goals of this development are to create an inviting mixed use project that attracts the public to the Bay and enhances their waterfront experience, and to preserve and rehabilitate these historic bulkhead buildings.

STATUS

Preliminary engineering studies conducted in conjunction with the Mid-Embarcadero Roadway Project found parts of the marginal wharf between Piers 1 ½ - 5 to be seriously deteriorated. The Port retained an independent engineering consultant, Structus, to survey the condition of the substructure under these bulkhead buildings. Based on the results of this survey, the Port's Engineering Dept. has determined that the future use and improvement of the bulkhead buildings after 2000 will be difficult unless substructural repairs are made to the marginal wharf. The total costs of these repairs is estimated at approximately $7.3 million. While a portion of the required funds are available from the Mid-Embarcadero Roadway Project and from the Port's Capital Plan, meeting the additional costs will require a partnership between the Port and a private developer.

In November, 1999, Port staff reconvened the Ferry Building Waterfront Advisory Group to provide input on a development concept to be included in a RFP for Piers 1 ½ - 5 (excluding the existing leaseholds on Pier 3 with Hornblower Yachts, Inc. and FB Santa Rosa Partnership, Ltd.). At its December 15, 1999 meeting, this advisory group reached a consensus on the development concept to be included in an RFP for this site. Port staff anticipates recommending to the Port Commission at its meeting on January 25, 2000 that it approve the advisory group's recommended development concept and authorize issuance of an RFP.

APPROVALS

The project requires approval from the Port Commission, the Board of Supervisors, the US Army Corps of Engineers, BCDC, RWQCB and the Waterfront Design Advisory Committee. The project will also be subject to CEQA review.

SCHEDULE MILESTONES

December 15, 1999	Ferry Building Waterfront Advisory Group recommends development concept
January 25, 2000	Development concept to Port Commission

6. PIER 1 MARITIME OFFICE BUILDING

PROJECT STAFF

Kirk Bennett, Manager, Waterfront Development Projects
Jennifer Sobol, Development Project Coordinator
Fred Gerard, Construction Manager
Mary Ilyin, Architect for Port's Office Space

PROJECT DESCRIPTION

Pier 1 is being converted from a parking garage to a 150,000 square feet of Class-A office space. It will be the future home for the Port's administrative offices and the headquarters for the developer, AMB Property Corporation. It will also house other office tenants and include a newly renovated Pier One Deli. New and increased public access will extend around the pier perimeter, and the shed's historic features will be preserved. The Port's conference rooms will be made available to the public after hours for meetings and events.

STATUS

A 50-year lease was conveyed to AMB in August 1999. Construction commenced in August and is proceeding ahead of schedule. The new raised south apron has been poured, and the second floor metal deck is being installed. The architects are completing the construction drawings for the Port's new office space.

APPROVALS

All necessary regulatory approvals have been obtained.

PRIMARY CONSULTANTS

SMWM (architects)
Nibbi Brothers (general contractor)

SCHEDULE MILESTONES

August 3, 1999	Lease conveyed
August 5, 1999	Construction commenced
December 2000	Construction complete

7. FERRY BUILDING REHABILITATION PROJECT

PROJECT STAFF
Alec Bash, Waterfront Planner—Special Projects
Mary Hanni, Project Manager

PROJECT DESCRIPTION
Redevelopment of this National Register and City Landmark building with ground floor retail, transportation and public uses and complementary upper floor office and other commercial uses. The Port's goals are for a signature project which achieves a high level of public use and support, strengthens the Port's long-term financial position, and enhances the Port's ability to undertake other projects.

STATUS
A developer Request for Qualifications and Proposals was issued in May 1998. The Commission in August 1999 approved a Lease Disposition and Development Agreement and Ground Lease with Ferry Building Investors LLC, an entity managed by Wilson Cornerstone. The Waterfront Design Advisory Committee approved Design Recommendations for the project in October 1999, after which the Port Commission approved the Schematic Design in November 1999. Environmental review is complete. An Historic Preservation Certification Application for tax credits is under review.

APPROVALS
The project requires San Francisco Board of Supervisors approval of the Ground Lease, Planning Department approval of a parking exemption, a San Francisco Conservation and Development Commission permit, and an Army Corps of Engineers Letter of Permission

PRIMARY CONSULTANTS
SMWM (architect), Page & Turnbull (preservation architect),
Baldauf Cotton Von Eckartsberg (retail architect)
The Jefferson Company (development manager)

SCHEDULE MILESTONES

December 14, 1999	Board of Supervisors approved Ground Lease
January 2001	Convey lease and commence construction
June 2002	Complete construction

8. RINCON PARK RESTAURANT

PROJECT STAFF

Kari Kilstrom, Development Project Coordinator
Anne Cook, Manager, Waterfront Development Projects
Leo Bragagnolo, Engineering Project Manager
Mark Lozovoy, Real Estate

PROJECT DESCRIPTION

The 20,000 square foot site is located at the south end of the approximately 3-acre Rincon Park which will stretch along The Embarcadero between Howard and Harrison Streets. Through an agreement between the GAP (which is building a headquarters office building at Folsom and Steuart Streets) and the Redevelopment Agency, the Park will be designed, constructed and maintained. The restaurant site is within the Rincon Point/South Beach Redevelopment Plan project area, and was the subject of a 1995 Agreement to Lease between the Port and the Redevelopment Agency.

STATUS

The Port Commission authorized Staff to issue an RFP for the project on March 10, 1998 (Resolution No. 98-27) and the RFP was issued on July 23, 1998. Two proposals were received. In March 1999, the Port Commission approved an Exclusive Right to Negotiate with Nice Ventures Inc. for development of the restaurant. The draft Disposition and Development Agreement and the Lease are currently being negotiated with Nice Ventures Inc. Restaurant construction will be coordinated with the construction of Rincon Park.

APPROVALS

In addition to various Port Commission approvals, the Port expects to invite and receive comments on the design of the project from the Redevelopment Agency, the Rincon-Park South Beach CAC and the Planning Department. The Project will require a permit from BCDC. Because the restaurant was studied in the EIR for the Rincon Point-South Beach Redevelopment Plan, no further environmental review is anticipated.

SCHEDULE MILESTONES

March 1999	Port Commission authorized exclusive negotiations with Nice Ventures Inc.
January 2000	Approve Development Agreement and Lease
September 2000	Start construction of Rincon Park, completed by April 2001
January 2001	Start construction Rincon Park Restaurant Site, completed by January 2002

9. PIER 24 ANNEX MIXED USE DEVELOPMENT PROJECT

PROJECT STAFF

Kari Kilstrom, Development Project Coordinator
Anne Cook, Manager, Waterfront Development Projects
Leo Bragagnolo, Engineering Project Manager
Mark Lozovoy, Real Estate

PROJECT DESCRIPTION

The Port has solicited proposals from qualified developer/operators to finance, design, construct, maintain and operate a mixed use development (the "Development") consistent with the Waterfront Plan. The Waterfront Plan lists the following uses, or a combination thereof, as acceptable for the site: Assembly and entertainment, museum, retail (including restaurant) water taxi, public access and open space.

The building is approximately 24,000 square feet. The site could be used for one or more distinct operations under a lease with a single developer.

STATUS

On April 13, 1999, The Port entered into exclusive negotiations with Metropolis Partners/Polatnick Properties based on the bid submitted in February 1999. Alternative designs and use programs are under preparation by the developer team for the Port's consideration prior to preparing a Development Agreement and Lease.

PROJECT APPROVALS

The Development will require review by the Waterfront Design Advisory Committee, Environmental Review, BCDC Permit, and Port Commission and Board of Supervisors approval of the Lease.

PRIMARY CONSULTANTS

Structus Engineering performed a substructure inspection.

SCHEDULE MILESTONES

August 1999	Consideration of Design & Use Alternatives
Sept 1999 – Jan 2000	Consider Alternative Designs and Use Programs
January – March 2000	Negotiate Lease & Development Agreement
March 2000	Approve Lease & Development Agreement

10. BRYANT STREET PIER OPPORTUNITY AREA (PIER 30-32/SWL 330)

PROJECT STAFF

Anne Cook, Manager, Waterfront Development Projects
Leo Bragagnolo, Engineering Project Manager

PROJECT DESCRIPTION

In June 1999, the Port issued a Request for Qualifications and Proposals (RFQ/P) to design and develop the Bryant Street Pier Project, including the James R. Herman International Cruise Terminal, on the approximately 13-acre Pier 30-32 and 3-acre Seawall Lot 330. Port staff worked closely with an Advisory Group made up of industry experts and community representatives in drafting the project goals and objectives included in the RFQ/P.

The Project, located on the Port's largest and most attractive development site, will serve as the focal point for maritime, commercial and public activity between the new Pacific Bell Ballpark and downtown. Acceptable uses for the mixed-use component include, but are not limited to, retail, maritime office, entertainment, hotel, public access and open space.

STATUS

The Port received four submittals on July 26, 1999 in response to the RFQ/P. In August, the Port invited three of the four teams, including Forest City Development, San Francisco Cruise Terminal LLC ("SFCT") and LCOR San Francisco Cruise Terminal LLC ("LCOR"), to submit detailed proposals for the Project. On October 28, the Port received two proposals from SFCT and LCOR. Port staff and independent consultant Economic & Planning Systems evaluated both proposals based on criteria outlined in the RFQ/P. Port staff issued a report on January 7, 2000 recommending that the Port enter into exclusive negotiations with SFCT. The Port Commission received the staff's recommendation in its meeting on January 11, and following extensive public comment, voted 4 –1 to enter into exclusive negotiations with SFCT.

APPROVALS

This Project will require permits and approvals from the Port Commission, BCDC, the Planning Department, and the Army Corps of Engineers, among other agencies.

PRIMARY CONSULTANTS

To be selected

SCHEDULE MILESTONES

July 1999	Four teams respond to RFQ/P
August 1999	Port "short lists" three developers for proposal phase
October 1999	Two proposals submitted
January 2000	Developer Selection and Staff Recommendation made to Port Commission
January 2000	Exclusive Negotiations period begins

11. PACIFIC BELL BALLPARK

PROJECT STAFF

Kari Kilstrom, Development Project Coordinator
Daniel Bell, Planner
Anne Cook, Manager, Waterfront Development Projects
Cliff Jarrard, Chief Harbor Engineer

PROJECT DESCRIPTION

In April 2000, the Giants' new 42,000 seat ballpark at China Basin will be complete. Construction of the ballpark structure and seating bowl is well underway. The Port will focus it's efforts to complete the design and construction drawing review of the Pavilion Building, and to complete the pre-development work (i.e. design, engineering and regulatory permits) for the off-site projects related to the Ballpark.

STATUS

Port Commission approved a Ground Lease, Development Agreement and Conceptual Design in 1997. Pavilion Building Re-Design approved March 1999. China Basin Park, parking lot, and China Basin terminal design are underway.

The following tasks highlight the remaining scope of work:

- Approval of final design details for Pavilion Building, then accessibility review and building permit issuance
- Stripe bicycle lanes on Terry Francois Boulevard including requisite resurfacing
- Review and approve the re-design of China Basin Park
- Obtain regulatory approvals for construction

APPROVALS

The Ballpark has received all necessary regulatory approvals. Some of the related tasks listed above will require amendments to those approvals or additional approvals from the Port Commission, BCDC, Army Corps or other City Departments.

PRIMARY CONSULTANTS

None

SCHEDULE MILESTONES

January 2000	Finalize design review for Pavilion Building
January – February 2000	Port stripes bike lanes on Terry Francois Boulevard
April 2000	Opening Day

12. China Basin Shoreline Park Design

Project Staff	**Dan Hodapp, Planner** Diane Oshima, Manager, Waterfront Planning
Project Description	As part of the construction of the Pacific Bell Ballpark the China Basin Ballpark Company (CBBC) will be improving as a public park an area east of Third Street between the south edge of China Basin Channel and Terry Francois Boulevard. The park improvements will follow the Port's China Basin Shoreline Stabilization project in this area. Port staff is currently working with CBBC in developing a concept design and reviewing it publicly with neighborhood organizations.
Status	CBBC is negotiating with BCDC for a minimum level of improvements to be installed prior to April 1, 2000. The concept design was recently completed. Construction is expected to begin in the fall of 2000.
Project Approvals	Environmental Review was certified and a BCDC permit was approved as part of the ballpark. BCDC will review the final design.
Primary Consultants	Pat O'Brien, Landscape Architects

Schedule Milestones

January 2000	Concept Design Completed
October 2000	Begin construction
April 2001	Construction Completed

13. PIER 70 OPPORTUNITY AREA

PROJECT STAFF

Anne Cook, Manager, Waterfront Development Projects
Leo Bragagnolo, Engineering Project Manager
Marshall Foster, Planning & Design Intern

PROJECT DESCRIPTION

The Waterfront Land Use Plan identifies an approximately 16-acre Mixed Use Opportunity Area in the vicinity of Pier 70, between 18th and 21st streets. Several of the historic Union Iron Works buildings are included within this opportunity area. The Waterfront Plan allows non-maritime land uses in this area which result in the preservation and adaptive reuse of the historic buildings, provided they are consistent with the Waterfront Plan and do not adversely impact nearby water-dependent uses or associated support services. New construction will be permitted provided that public access improvements are extended to the water's edge as indicated in the Waterfront Plan, and other Plan criteria, including the preservation and adaptive reuse of three Union Iron Works buildings at Pier 70, are met.

STATUS

Developer interest in the Pier 70 area has increased over the past year, particularly in light of the planned Mission Bay and UCSF projects to the north. Because the Port would like to seize the opportunity to preserve the historic buildings in the Opportunity Area, staff is currently working to inventory site conditions and historic resources at the historic Union Iron Works. The Pier 70 Advisory Group will be formed and begin meeting in early February to provide input into the Port's development goals and objectives for Pier 70. This group will recommend a development concept for a RFQ/P to the Port Commission for approval in May 2000

APPROVALS

The project will require approval from the Port Commission, the Planning Department, BCDC and the San Francisco Board of Supervisors. Portions of the property also may need to be removed from the Public Trust. CEQA review and a project Environmental Impact Report (EIR) may also be required.

SCHEDULE MILESTONES

February 2000	Convene the Pier 70 Advisory Group
February 2000	Issue RFQ for consultant services
March 2000	Select consultants
April 2000	Complete due diligence and project feasibility
June 2000	Issue RFQ/P

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

January 12, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Authorization to enter into a contract with the consultant team led by Bay Area Economics to evaluate proposals received in response to the Request for Proposals for a San Francisco Bay / maritime oriented public attraction in Pier 45 Shed A at Fisherman's Wharf

DIRECTOR'S RECOMMENDATION: AUTHORIZE STAFF TO ENTER INTO CONTRACT WITH THE CONSULTANT TEAM LED BY BAY AREA ECONOMICS

BACKGROUND

Request for Proposals for Pier 45 Shed A

On June 29, 1999, the Port Commission by Resolution No. 99-45 approved the development concept for Pier 45 Shed A, and authorized issuance of a Request for Proposals which included this development concept for the development and lease of Pier 45 Shed A with a San Francisco Bay / maritime oriented public attraction ("Pier 45 RFP"). The Pier 45 RFP was subsequently issued with a proposal deadline of January 25, 2000.

Consultant Request for Qualifications

On September 17, 1999, Port staff issued a request for qualifications from teams of consultants with multidisciplinary expertise to provide consulting services for waterfront planning and development projects ("Consultant RFQ"). The purpose of this Consultant RFQ was to create a list of Qualified Consultant Teams from which the Port could solicit proposals for planning and development consulting services, including for Pier 45 Shed A,

the Bryant Street Pier Project, the Piers 27-31 Mixed Use Recreation Project, the Pier 70 Project, the Southern Waterfront, and other projects as needed. Each consultant team had to include expertise in real estate market and financial research and analysis, site planning and urban design, architecture, historic preservation, engineering, transportation, project approvals, and community relations, as well as specialized expertise related to specific development opportunities, such as expertise in for-profit and non-profit public attractions, modern passenger cruise terminals, and large-scale recreation facilities. Each consultant team also had to be led by a real estate economics consulting firm ("Lead Consultant"), and could include sub-consultants. Pursuant to San Francisco Administrative Code Section 12D, sub-consultant participation goals of 15% for Minority Business Enterprises (MBEs) and 5% for Woman Business Enterprises (WBEs) were established for the total contract dollars expended by the Port through this Consultant RFQ process.

As indicated in the informational presentation to the Port Commission at its November 17, 1999 meeting, responses to this request for qualifications were received from the following six consultant teams (listed alphabetically by the Lead Consultant):

- Bay Area Economics
- Economic & Planning Systems
- Economic Research Associates
- Hausrath Economics
- Keyser Marston Associates, Inc.
- Sedway Group

Port staff determined that all six consultant teams met the Minimum Qualifications indicated in the Consultant RFQ, although some of the consultant teams indicated interest in only certain projects and therefore did not include the expertise required for other projects. All six responding consultant teams were placed on the list of Qualified Consultant Teams from which the Port can solicit proposals for specific consulting contracts.

Consultant Request for Proposals

On November 24, 1999, Port staff requested proposals from all six Qualified Consultant Teams to provide consulting services regarding the Pier 45 RFP ("Consultant RFP"). The indicated scope of consulting services consisted of two phases:

1. Phase 1 – to assist the Port in evaluating proposals received in response to the Pier 45 RFP; and
2. Phase 2 - as needed, to assist the Port with negotiating the development agreement and lease for Pier 45 Shed A.

Funding for this consulting work would be from the Pre-Development Studies Account (CPO #667) of the Port's Fiscal Year 1999/00 Capital Plan.

Respondents were requested to indicate in their proposals:

1. Their approach to providing consulting services.

2. Their previous experience with similar projects.
3. The fixed fee for Phase 1 work, and the hourly rates for Phase 2 work.
4. Their compliance with certain City requirements.
5. Their compliance with Human Rights Commission requirements.
6. A conflict of interest statement.

The evaluation criteria indicated in the Consultant RFQ consisted of:
1. Their approach to consulting services (20% weighting);
2. The experience of Lead Consultant, sub-consultants and assigned project staff (40% weighting);
3. The fee proposal for Phase 1 (35% weighting); and
4. The fee proposal for Phase 2 (5% weighting).

Rating bonuses were indicated to be in effect pursuant to Chapter 12D of the San Francisco Administrative Code.

Responses to the Consultant RFP were received from Bay Area Economics (BAE), Economic & Planning Systems (EPS), and the Sedway Group. Concerning potential conflicts of interest, all of the respondents indicated that no member of their consultant team currently is or anticipates providing services to any entity that they are aware is preparing a response to the Pier 45 RFP. The following table indicates the members of these three consultant teams, their Phase 1 fee proposal, whether the Lead Consultant is a MBE or WBE, and the percentage of the Phase 1 fee proposal allocated to MBE/WBE sub-consultants.

Lead Consultant:	**Bay Area Economics**	**Economic & Planning Systems**	**Sedway Group**
Sub-Consultants:	Pannell Kerr Forster, Terranomics, EDAW, Inc., Olivia Chen Consultants, Pittman & Hames Associates	KenKay Associates, Robin Chiang & Company, Page & Turnbull, Olivia Chen Consultants, Han-Padron Associates, NBA Engineering, IHI Environmental, Roger L. Peters, Real Estate Planning Strategies, The Duffey Company	Sasaki Associates, Han-Padron Associates, CHS Consulting Group, Real Estate Planning Strategies
Phase 1 Fee Proposal: • **Two proposals** • **Each additional proposal**	 $45,900 $21,750	 $45,099 $17,550	 $113,782 $ 28,119
Lead Consultant MBE or WBE:	Yes	No	Yes
Percentage of Phase 1 Fee allocated to MBE/ WBE sub-consultants:	27%	27%	12-16%

STAFF EVALUATION AND RECOMMENDATION

The three proposals submitted in response to the Consultant RFP were evaluated by a three-member selection committee comprised of Port staff, using the evaluation criteria indicated in the Consultant RFP. The selection committee rated the proposals submitted by the consultant teams led by Bay Area Economics and by Economic & Planning System higher than the proposal submitted by the consultant team led by the Sedway Group. The selection committee therefore conducted oral interviews with the two consultant teams led by Bay Area Economics and by Economic & Planning Systems.

The consultant team led by Bay Area Economics received the highest overall score from the selection committee following the oral interviews, both before and after applying rating bonuses pursuant to Chapter 12D of the San Francisco Administrative Code. Bay Area Economics also received the highest ratings for Evaluation Criterion 1 (approach to consulting services), Evaluation Criterion 2 (experience of Lead Consultant, sub-consultants and assigned project staff), and Evaluation Criterion 4 (fee proposal for Phase 2 work).

Port staff therefore recommends that the Port Commission authorize Port staff to enter into a contract with the consultant team lead by Bay Area Economics for the consulting services and the contract parameters indicated in this Memorandum.

Prepared by: Kirk Bennett
Manager, Waterfront Development Projects

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-02

WHEREAS, the Port Commission, on June 29, 1999 by Resolution 99-45, authorized the issuance of a Request for Proposals for the development and lease of Pier 45 Shed A with a San Francisco Bay / maritime oriented public attraction ("Pier 45 RFP"); and

WHEREAS, the Pier 45 RFP established a proposal deadline of January 25, 2000, and indicated that the proposals would be reviewed and evaluated by Port staff, possibly with the assistance of independent consultants; and

WHEREAS, Port staff on September 17, 1999 issued a request for qualifications from teams of consultants with multidisciplinary expertise to provide consulting services for waterfront planning and development projects, including Pier 45 Shed A ("Consultant RFQ"), and Port staff, with the assistance of representatives of the Human Rights Commission, undertook good faith efforts to ensure that disadvantaged minority and woman owned business enterprises were given an opportunity to submit a proposal or participate on a consultant team as a sub-consultant; and

WHEREAS, responses were received to this RFQ from six consultant teams, all of which were determined by Port staff to met the Minimum Qualifications indicated in the RFQ, and all six consultant teams were placed on the list of Qualified Consultant Teams from which the Port could solicit proposals for specific consulting contracts; and

WHEREAS, Port staff on November 24, 1999 requested proposals from all six Qualified Consultant Teams to provide consultant services regarding the Pier 45 RFP ("Consultant RFP"), with the scope of services consisting of two phases: (1) Phases 1 assisting the Port in evaluating proposals received in response to the Pier 45 RFP; and (2) Phase 2, as needed, assisting the Port with negotiating the development agreement and lease for Pier 45 Shed A; and

WHEREAS, responses to this Consultant RFP were received from three consultant teams, led by Bay Area Economics (BAE), Economic & Planning Systems (EPS), and the Sedway Group, as summarized in the Memorandum for Agenda Item No. 8B for the January 25, 2000 Port Commission Meeting; and

WHEREAS, a selection committee comprised of Port staff evaluated the three proposals using the evaluation criteria indicated in the Consultant RFP, and rated the proposals submitted by the consultant teams led by Bay Area Economics and by Economic & Planning Systems higher than that submitted by the consultant team led by Sedway Group, and

WHEREAS, the selection committee conducted oral interviews with the consultant teams led by Bay Area Economics and by Economic & Planning Systems, and

WHEREAS, the consultant team led by Bay Area Economics received the highest overall score from the selection committee following the oral interviews; and, now therefore be it

RESOLVED, that the Port Commission hereby authorizes and directs the Executive Director of the Port, or his designee, to enter into a contract with Bay Area Economics for the consulting services indicated in the Memorandum for Agenda Item No.8B for the January 25, 2000 Port Commission meeting.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 25, 2000.

_____
Secretary

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

January 25, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Fiscal Year 2000/01 Operating Budget

DIRECTOR'S RECOMMENDATION: Approve Annual Operating Budget For Fiscal Year 2000/01.

The purpose of this item is to request Commission approval of the proposed Fiscal Year 2000/01 operating budget. Following Commission approval, the budget will then be reviewed by the Mayor's Office, who will submit the budget to the Board of Supervisors by May 31, 2000. The Board's final budget consideration will be on or before August 28, 2000.

The proposed Fiscal Year 2000/01 Operating Budget is summarized as follows:

	1999/00	2000/01	Increase/ (Decrease)	Percent
Revenue	$44,298,141	$45,916,000	$1,617,859	3.7%
Expense	42,874,726	45,150,116	2,275,390	5.3%
Surplus	$1,423,415	$765,884	($657,531)	(46.2%)

THIS PRINT COVERS CALENDAR ITEM NO. 9A

Revenue

The proposed revenue budget of $45.9 million for FY 00/01 is a $1.6 million increase (3.7%) over the prior fiscal year. Projected revenues for FY 00/01 are as follows:

	1999/00	2000/01	Increase/ (Decrease)	Percent
Cargo	$2,565,000	$2,938,000	$373,000	15%
Ship Repair	1,000,000	800,000	(200,000)	(20%)
Harbor Services	840,000	845,000	5,000	1%
Cruise	552,000	523,000	(29,000)	(5%)
Fishing	1,374,000	1,422,000	48,000	3%
Other Marine	1,254,000	1,305,000	51,000	4%
Commercial/Indust. Rent	28,269,141	27,894,000	(375,141)	(1%)
Parking	5,675,000	6,855,000	1,180,000	21%
Filming	125,000	100,000	(25,000)	(20%)
Special Events	150,000	150,000	0	0%
Miscellaneous	50,000	50,000	0	0%
Facilities & Permits	155,000	255,000	100,000	65%
Negotiation Fees	0	250,000	250,000	NA
Interest & Penalties	2,289,000	2,529,000	240,000	10%
Total	$44,298,141	$45,916,000	$1,617,859	4%

The major changes in the FY 00/01 revenue budget compared to the prior fiscal year are in Cargo, Ship Repair, Commercial/Industrial Rent, Parking, and Negotiation Fees as a result of the following:

- A $373,000, or 15%, increase in Cargo revenues reflects increased volume of dockage and crane rental from Pier 80 operations and rent increases from existing customers.

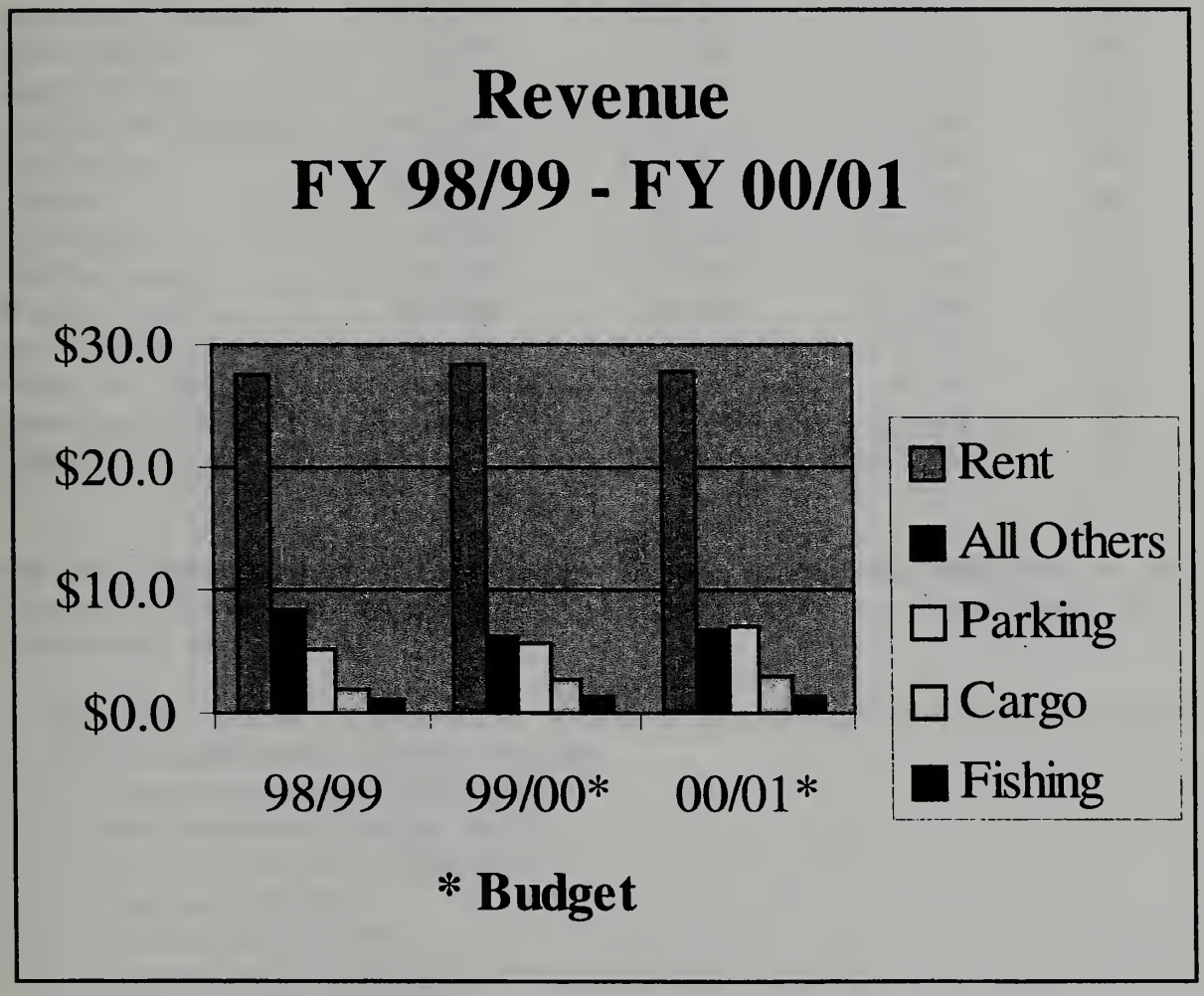
- Ship Repair revenue is projected to decrease $200,000, or 20%, based on an amendment to the agreement with San Francisco Drydock in February 1999 that does not include percentage rent;

- Commercial and Industrial Rent is projected to decrease $375,141, or 1%. This is the net effect of a $877,141 decrease in base rent and a $502,000 increase in rent from percentage leases. The decrease in base rent is due to increasing vacancy rates in the Ferry Building to ready it for development in January 2001, the cessation of interim rent payments for the PacBell ballpark parking site as the parking lot operation is scheduled to begin (revenue will then be reflected in Parking), and the termination of a significant lease at Pier 31 which offset increases in rent from new leasing and market rent adjustments. Percentage rent is projected to increase due primarily to continued increases in tenant sales;

- FY 00/01 Parking revenue is projected to increase $1,180,000, or 21%, over the FY 99/00 budget primarily due to a full year of operation of the China Basin Ballpark Company parking lot adjacent to PacBell Park.

- Negotiation Fees for development projects on Port property are being budgeted for the first time in FY 00/01.

Revenue for a three year period is as follows:



Expense

The proposed FY 00/01 expense budget of $45.2 million is a $2.3 million increase (5%) over the prior fiscal year. The expense summary for FY 00/01 is as follows:

	1999/00	2000/01	Increase/ (Decrease)	Percent
Salaries & Benefits	$18,376,257	19,737,557	$1,361,300	7%
City-wide Overhead	384,221	395,748	11,527	3%
Other Current Exp.	3,899,236	4,710,583	811,347	21%
Materials & Supplies	1,768,178	1,912,269	144,091	8%
Fixed Charges	405,690	432,860	27,170	7%
Capital Outlay	787,833	441,900	(345,933)	(44%)
Facilities Maintenance	1,843,960	1,802,200	(41,760)	(2%)
Debt Service	9,040,416	9,089,466	49,050	1%
Insurance	800,000	750,000	(50,000)	(6%)
City Attorney	1,248,158	1,450,000	201,842	16%
Fire Protection	1,395,500	1,410,000	14,500	1%
Workers Comp.	300,000	250,000	(50,000)	(17%)
Light, Heat & Power	996,220	1,101,700	105,500	11%
Parking & Traffic	266,400	275,700	9,300	3%
Other Work Orders	1,362,677	1,390,133	27,456	2%
Total	$42,874,726	$45,150,116	$2,275,390	5%

The major changes in the FY 00/01 expense budget over the prior fiscal year are in Salaries & Benefits, Other Current Expenses, Materials & Supplies, Capital Outlay, and City Attorney as a result of the following:

- Salaries & Benefits are projected to increase $1,361,300, or 7%, as a result of the following additional incremental expenses:
  - Seven new positions: $483,369
  - Nine reclassified positions: $60,481
  - Temporary Salaries: ($148,227)
  - Overtime: $43,741
  - Premium Pay: $91,104
  - Adjustments: MOU, step, etc.: $475,359
  - Fringe Benefits: $355,473;

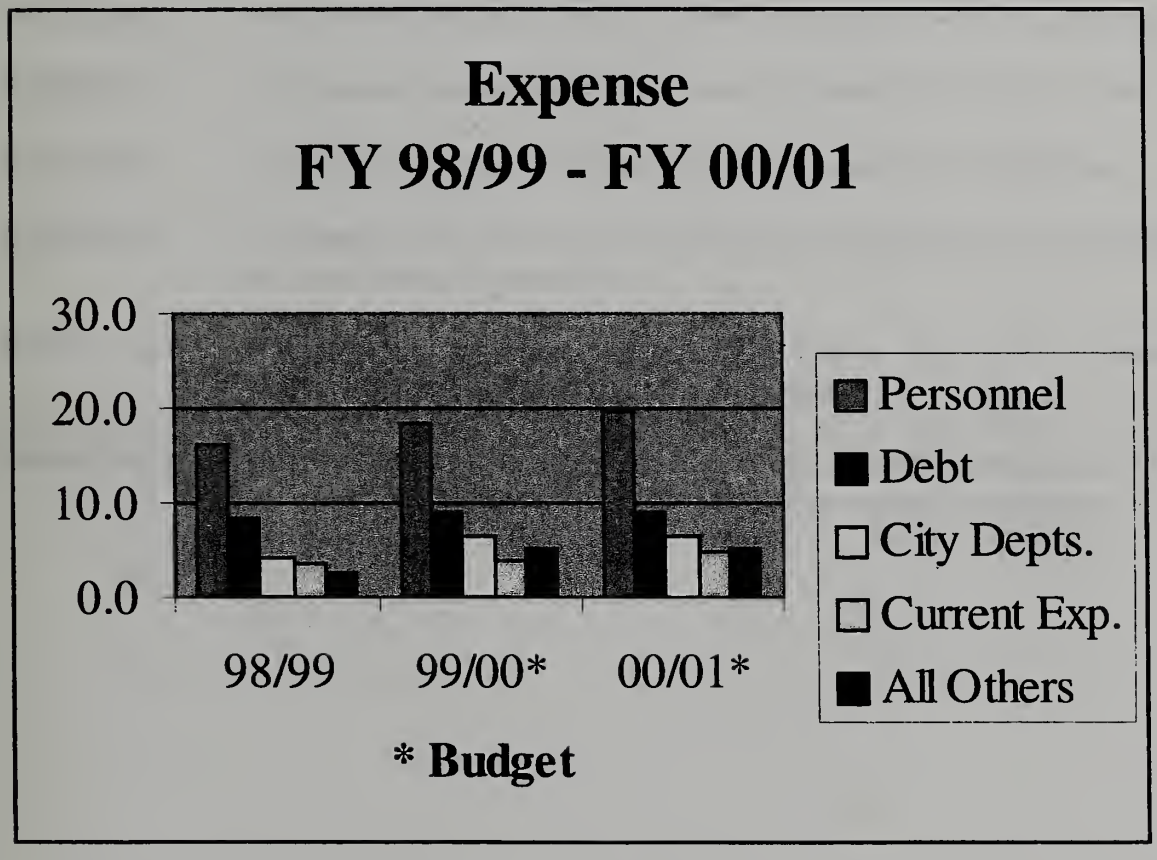
- Other Current Expenses are projected to increase $811,347, or 21%, due to additional expenses in almost every category. One of the larger changes is a $168,100 increase to the Professional & Specialized Services budget. These additional funds will be used primarily for the implementation of the anticipated passage of a living wage ordinance ($167,800). Rents & Leases also increased by $461,920 primarily due to the rent and expenses for the Port's new offices at Pier 1 ($455,000);

- Materials & Supplies are projected to increase $144,091, or 8%, primarily due to additional supplies for the maintenance department;

- Capital Outlay is projected to decrease by $345,933, or 44%, due to the budgeting of most equipment in the capital budget. The budget for the vehicle replacement plan will remain in the operating budget and in FY 00/01 is $299,000;

- The work order to the City Attorney's Office will increase by $201,842, or 16%. These additional costs result from the increased number of development projects the Port is undertaking.

Expense for a three year period is as follows:



Port staff recommends that the Commission adopt the annual operating budget and authorize the Executive Director to make non-material changes to the budget as may be necessary. Non-material changes are generally technical adjustments to the budget, not policy changes. Examples of non-material changes would be updates to the budget for salaries and fringe benefits as City-wide MOU's are finalized or adjustments to work order amounts with other City departments as cost estimates are finalized. Once the Mayor's Office and the Board of Supervisors finalize the budget, staff will report to the Commission regarding the adopted budget, detailing all changes made by staff, the Mayor and the Board.

Prepared by: Mary Ellen Wriedt
Budget Analyst

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00-05

WHEREAS, staff has developed a Fiscal Year 2000/01 operating budget; and

WHEREAS, the operating budget includes projected revenues of $45,916,000; and

WHEREAS, the operating budget includes projected expenses of $45,150,116; and

WHEREAS, the operating budget includes a projected surplus of $765,884; and

WHEREAS, the operating budget must also be approved by the Mayor and the Board of Supervisors; therefore, be it

RESOLVED, that the Port Commission approves the Fiscal Year 2000/01 operating budget as presented by staff; and be it further

RESOLVED, that the Port Commission authorizes the Executive Director to make non-material changes to the operating budget as may be necessary.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of January 25, 2000.

_____
Secretary

PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Fax 415 274 0528
www.sfport.com

MEMORANDUM

January 25, 2000

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Brian McWilliams, Vice President
Hon. Denise McCarthy
Hon. Michael Hardeman
Hon. Pius Lee

FROM: Douglas F. Wong
Executive Director

SUBJECT: Approval of the Fiscal Year 2000/01 Capital Plan

DIRECTOR'S RECOMMENDATION: Approve Resolution for Adoption and Approval of Fiscal Year 2000/01 Capital Plan

Attached is the Fiscal Year 2000/01 Capital Plan for the review and approval by the Port Commission. The plan provides Port funding in the amount of $6,396,000 for capital projects. The plan will fund $3,579,300 in new projects identified by staff, and $2,816,700 in additional funding for projects approved in previous capital plans. The 2000/01 Capital Plan will be funded out of the Port's unappropriated operating fund balance.

The following schedules are included in the Capital Plan:

- Capital Plan Summary – summarizes the capital project priorities.
- Project Descriptions – provides descriptions of all capital projects.
- Funding Available – identifies funding available for 2000/01 capital projects.
- Project Status Summary – provides a spending status report of previously approved capital and maintenance projects according to the City's FAMIS system.
- Five Year Plan – summarizes the estimated spending plan for capital projects over the next five years.
- Funding Source – identifies the sources of funds allocated to new and on-going projects.
- Grant Summary – lists grants related to capital projects.

THIS PRINT COVERS CALENDAR ITEM NO. 9B

The following highlights the changes from the 1999/2000 Capital Plan:

New Funded Projects:

Title	*Amount Funded*
Maintenance Dredging	$1,068,600
Dredged Material Rehandling Site	65,000
Embarcadero Promenade Railing	57,000
Fish Alley Sewer Pump Station	110,200
Illinois Street Bridge Preliminary Design	100,000
Northern Waterfront Sewer Pump	258,000
Pier 35 Rolling Door Replacement	63,000
Pier 70 Building 11 Exterior Maintenance	57,500
Pier 80 Back-up Generator	60,000
Pier 80 Crane Anti-Collision Devices	140,000
Crane Cab Modifications	75,000
Pier 80 Gate Improvements	350,000
Southern Waterfront Sewer Pump	400,000
Maintenance Equipment	575,000
IS Equipment	200,000
Subtotal	$3,579,300

Additional Funding for Projects in Process:

Title	*Additional Funding*
Downtown Ferry Terminal	
Construction Management	$ 230,000
Hyde Street Harbor	240,500
Pier 1 Furniture, Fixtures and Equipment	1,836,200
Pre-Development Studies	510,000
Subtotal	$2,816,700
Total Funded Projects	$6,396,000

New Approved Unfunded Projects

Title	*Project Cost*
East Promenade Work	$1,550,000
Pier 29 Gutter and Flashing	55,000
Pier 35 Gutter and Ridge Cap Replacement	198,500
Pier 50 Bulkhead Repair	290,680
Roundhouse Exterior Painting	407,080
Total New Approved Unfunded Projects	$2,501,260

Projects Completed

The following projects were completed since the approval of the 1999/2000 Capital Plan:

Title	*Amount Funded*
Bulkhead Façade Painting	$ 200,000
Fender Pile Replacement at Pier 92	90,000
Harbor Patrol Boat	20,000
Rasterize Engineering Drawings	150,000
Third Street Bridge Retrofit	705,000
Total Completed Projects	$1,165,000

The 2000/01 Capital Plan will be submitted to the Mayor and the Board of Supervisors for approval. Please see the attached 2000/01 Capital Plan for more detail.

Prepared By: Lawrence Brown, Financial Analyst
Finance Department

PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 00 - 06

WHEREAS, The Port has $6,396,000 in the Operating Fund; and

WHEREAS, The next 19 priorities in the Capital Plan are:

1. Downtown Ferry Terminal - Construction Management
2. Maintenance Dredging
3. Hyde Street Harbor
4. Pier 1 - Furniture, Fixtures and Equipment
5. Dredged Material Rehandling Site Design Study
6. Embarcadero Promenade Railing
7. Fish Alley Sewer Pump Station
8. Illinois Street Bridge Preliminary Design
9. Northern Waterfront Sewer Pump Replacement Project
10. Pier 35 Rolling Door Replacement
11. Pier 70 Building 11 Exterior Maintenance
12. Pier 80 Back-up Generator
13. Pier 80 Crane Anti-Collision Devices
14. Crane Cab Modifications
15. Pier 80 Gate Improvements
16. Southern Waterfront Sewer Pump Replacement Project
17. Maintenance Equipment
18. IS Equipment
19. Pre-Development Studies; therefor be it

RESOLVED, That the Port Commission authorizes the funding of these 19 projects which have been designated as having the highest priority; and, be it further

RESOLVED, That the Executive Director is hereby authorized to cancel or postpone any funded project due to unforeseen future events or circumstances which may arise after the approval of the 2000/01 Capital Plan; and, be it further

RESOLVED, That projects included in the 2000/01 Capital Plan that have been approved but not funded will be brought before the Port Commission for funding authorization, should funding become available; and be it further

RESOLVED, That the Port Commission approves the 2000/01 Capital Plan; and be it further

RESOLVED, That staff is directed submit the 2000/01 Capital Plan to the Mayor and Board of Supervisors for approval.

I hereby certify the foregoing resolution was adopted by the Port Commission at its meeting of January 25, 2000.

_____

Secretary

SAN FRANCISCO
PORT COMMISSION

JANUARY 25, 2000
MINUTES OF THE REGULAR MEETING

DOCUMENTS DEPT.

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PUBLIC LIBRARY

MEMBERS, PORT COMMISSION

HON. KIMBERLY BRANDON, PRESIDENT
HON. BRIAN McWILLIAMS, VICE PRESIDENT
HON. DENISE McCARTHY
HON. MICHAEL HARDEMAN
HON. PIUS LEE

DOUGLAS F. WONG, EXECUTIVE DIRECTOR

CITY & COUNTY OF SAN FRANCISCO
PORT COMMISSION

MINUTES OF THE REGULAR MEETING
JANUARY 25, 2000

1. ROLL CALL

Commission President Kimberly Brandon called the meeting to order at 4:04 p.m. The following Commissioners were present: Kimberly Brandon, Denise McCarthy, Michael Hardeman and Pius Lee. Commissioner Brian McWilliams was not present.

2. APPROVAL OF MINUTES - January 6, 2000 Special & Regular Meeting
- January 11, 2000 Special & Regular Meeting

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; the minutes of the January 6, 2000 and January 11, 2000 Special & Regular Meetings were adopted.

3. EXECUTIVE

A. Executive Director's Report: Mr. Douglas Wong reported the following:

1) Renaming and christening of the Port's newest floating drydock the *"Eureka,"* at Pier 70.

On Wednesday, January, 12, the Port with the help of Representative Nancy L. Pelosi, San Francisco Drydock, Inc. and the San Francisco National Historical Park Service, renamed and christened the Port's newly acquired drydock, the *Eureka*, at Pier 70. Congresswoman Pelosi was instrumental in getting the funds for this new drydock. Port Commissioners Brandon, McCarthy and Hardeman presented Congresswoman Pelosi with the Rank of Admiral Award, highest order of maritime merit. Approximately 175 people attended the christening ceremony, including SF Drydock workers and labor representatives from the various construction and maritime unions. Congresswoman Pelosi was pleased by this event. She spent an hour before the ceremony with Carl Hanson, President of SF Drydock and Port staff about the ship repair industry and other Port projects. Overall, the event was a tremendous success and thanked Port staff for coordinating the event.

2) "MV P&O Nedlloyd San Francisco" Maiden Call to Pier 80.

One of the first ships to call at the Port of San Francisco in the new millennium was the "MV P&O Nedlloyd San Francisco," which made its maiden call to Pier 80 on January 6, 2000. This new container ship was renamed the MV P&O Nedlloyd "San Francisco" from the Saxiona, to honor San Francisco as its first U.S. Port call on the service from Australia, New Zealand and the South Pacific Islands, and to commemorate our long-standing relationship with P&O Nedlloyd in San Francisco. Commissioner Denise McCarthy, San Francisco Supervisor

Mabel Teng, P&O Nedlloyd executives and the ship's owner, C.F. Ahrenkiel participated in the renaming ceremony with approximately 75 people in attendance. From San Francisco, the ship headed to Los Angeles and then to the South Pacific to load frozen beef, lamb and wine for the return trip to the Bay Area. The Port is pleased to welcome the "San Francisco" as part of a fleet of six P&O Nedlloyd ships that make weekly calls to Pier 80.

B. Approval of amendment to the Port Commission By-Laws, to make consistent with the recently adopted Proposition G requirement for 72 hour advance notice for Special Meetings. (Resolution No. 00-10)

ACTION: Commissioner Lee moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 00-10 was adopted.

4. CONSENT CALENDAR

5. MARITIME

A. Approval of the 5-year terminal agreement with Polynesia Line at Pier 80. (Resolution No. 00-08)

Mr. Peter Dailey, Maritime Director, requested Commission's approval of the 5-year terminal agreement with Polynesia Line at Pier 80. Mr. Dailey also provided the Commission a slide presentation regarding the maritime division's activities and thanked his staff (as well as the Marine Terminals Corporation) for all their efforts which resulted in cargo renaissance at the Port i.e. increase in container cargo, containers (breakbulk and bulk) and vessel calls. Future plans include construction of the Illinois Street Intermodal Bridge, establishment of short-line rail service, and reopen a portion of Pier 94/96. Mr. Dailey also provided the Commission a copy of the Port's new advertisement highlighting the new kids on the dock i.e. Columbus Line, Maruba s.c.a., TMM Lines, P&O Nedlloyd, South Seas Steamship Line and Trans-Pacific Lines. Ltd.

Commissioner Brandon commended Peter Dailey, his staff and MTC for a great job in attracting new maritime business to the Port.

Commissioner McCarthy noted that the areas mentioned are the same areas that the late Commissioner James Herman used to talk about.

ACTION: Commissioner Lee moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; Resolution No. 00-08 was adopted.

B. Approval of a 30-year lease and a 30-year operating agreement with Big C Traders, Inc. at Piers 19-23 (The Embarcadero at Filbert Street). (Resolution No. 00-11) **THIS ITEM WAS TAKEN OFF CALENDAR.**

6. REAL ESTATE

7. FACILITIES & OPERATIONS

A. Informational Briefing on the Status of Port Facilities and Operations Projects.

Mr. Alex Lee, Director of Facilities & Operations, provided the Commission a brief summary and status of the Facilities & Operations' projects. He noted that it has been a challenging two years for the division. Included in the $43 million capital plan projects are the construction of the Downtown Ferry Terminal, China Basin Ferry Terminal, Hyde Street Harbor Waterside/Landside Improvement, Boudin Remodeling, Pier 43 Arch, Pier 38 Repair and Pier 50 Maintenance Facility Office Upgrade adding an ADA accessibility and ramp control system. Mr. Lee pointed out that the Port spent $4.4 million in dredging its facilities such as Pier 35, Pier 80, Pier 90/92 and the Central Basin in support of the maritime activities. He also pointed out that currently there is approximately $3 million worth of deferred maintenance work including replacing the fender at Pier 80, roofing and plumbing repair. The Port will hire three additional staff for the duration of the project. Mr. Lee commended his engineering and maintenance staffs for their terrific work during a tough, challenging and ever-changing environment.

B. Authorization to Award Contract No. 2663, "Hyde Street Harbor Waterside Improvements Project." (Resolution No. 00-09)

Mr. Ed Byrne, Senior Civil Engineer, requested Commission's authorization to award Contract No. 2663 to Peak Engineering in the amount of $2,601,550 which includes a 10% construction contingency.

ACTION: Commissioner Hardeman moved approval; Commissioner Lee seconded the motion. All of the Commissioners were in favor; Resolution No. 00-09 was adopted.

8. PLANNING & DEVELOPMENT

A. Informational Briefing on the Status of Port Planning & Development Projects.

Mr. Paul Osmundson, Director of Planning & Development, presented the status of the 13 Port Planning & Development projects. Of particular note are: (1) The Pier One project is ahead of schedule – the Port will be moving into its new offices in December of this year. (2) Ferry Building Project – the Board of Supervisors approved the development agreement and ground lease. (3) Pacific Bell Ballpark is set to open in April.

B. Authorization to enter into a contract with the consultant team led by Bay Area Economics to evaluate proposals received in response to the Request for Proposals for a public attraction in Pier 45 Shed A at Fisherman's Wharf. (Resolution No. 00-02)

Mr. Kirk Bennett, Manager of Waterfront Development Projects, requested the Commission's authorization to enter into a contract with the consultant led by the Bay Area Economics to evaluate proposals received in response to the Request for Proposals for a public attraction in Pier 45 Shed A at Fisherman's Wharf. On June 29,

1999, the Commission approved the development concept for Pier 45 Shed A and authorized the issuance of an RFP. On January 25, 2000, Port staff received two proposals for the Pier 45 RFP: (1) Bay Center (San Francisco Bay Estuary & Delta Center) and (2) Malrite Group.

In response to the request for qualifications from teams of consultants with multidisciplinary expertise to provide consulting service for waterfront planning and development projects, Port staff received responses from six consultant teams. The consultant team led by Bay Area Economics received the highest overall score from the selection committee.

ACTION: Commissioner Hardeman moved approval; Commissioner McCarthy seconded the motion. All of the Commissioners were in favor; Resolution No. 00-02 was adopted.

9. FINANCE & ADMINISTRATION

A. Approval of the Port's 2000/01 Operating Budget. (Resolution No. 00-05)

Mr. Ben Kutnick, Director of Finance & Administration, requested Commission's approval of the proposed FY 2000/01 Operating Budget. Following Commission's approval, the budget will be reviewed by the Mayor's office and will be subsequently submitted to the Board of Supervisors for their review. Staff will report back to the Commission after the Mayor's and the Board of Supervisors' review of the operating budget. The proposed revenue budget of $45.9 million is a $1.6 million increase over the prior fiscal year due to increase in cargo revenues, ship repair, parking revenue and negotiation fees for development projects are being budgeted for the first time. The proposed expense budget of $45.2 million is a $2.3 million increase due to increase in salaries & benefits, other current expenses, materials & supplies, and City Attorney.

ACTION: Commissioner McCarthy moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 00-05 was adopted.

B. Approval of the Port's 2000/01 Capital Plan. (Resolution No. 00-06)

Ms. Stephanie Downs, Finance Manager, requested Commission's approval of the FY 2000/01 Capital Plan. The Plan provides Port funding in the amount of $6,396,000 for capital projects. The plan will fund $3,579,300 in new projects and $2,816,700 in additional funding for projects approved in previous capital plans. The 2000/01 Capital Plan will be funded out of the Port's unappropriated operating fund balance.

ACTION: Commissioner McCarthy moved approval; Commissioner Hardeman seconded the motion. All of the Commissioners were in favor; Resolution No. 00-06 was adopted.

10. NEW BUSINESS / PUBLIC COMMENT

11. EXECUTIVE SESSION

ACTION: Commissioner Hardeman moved approval to convene in executive session; Commissioner Lee seconded the motion. All of the Commissioners were in favor.

At 4:39 p.m., the Commission convened in executive session to discuss the following:

CLOSED SESSION

(1) CONSIDERATION OF PUBLIC EMPLOYEE APPOINTMENT – This is specifically authorized under California Government Code Section 54957.

a. Discussion of Appointment of Director of Real Estate

(2) CONFERENCE WITH REAL PROPERTY NEGOTIATOR - This is specifically authorized under California Government Code Section 54956.8. ***This session is closed to any non-City/Port representative.****

a. Property: Pier 1½ - 5
Person Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning and Development.

b. Property: Western Pacific Property @ 25th & Illinois
Person Negotiating: Port of San Francisco: Paul Osmundson, Director of Planning and Development.
*Municipal Railway: Kerstin Magary

(3) CONFERENCE WITH LEGAL COUNSEL REGARDING ANTICIPATED LITIGATION MATTERS:

a. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (two cases).
___ As Defendant __X_ As Plaintiff

b. Discuss significant exposure to litigation pursuant to subdivision (b) of the California Government Code Section 54956.9 (one case).
__X_ As Defendant ___As Plaintiff

12. RECONVENE IN OPEN SESSION

At 6:04 p.m., Commissioners Brandon, McCarthy, Hardeman and Lee returned from executive session and convened in public session.

ACTION: Commissioner Hardeman moved approval to ratify the Executive Director's decision to appoint Theresa Marie Picon as Director of Real Estate effective January 31, 2000 and not to disclose any other information discussed in Executive Session. Commissioner McCarthy seconded the motion. All of the Commissioners were in favor.

The meeting was adjourned at 6:04 p.m.